

Letitia Pepper’s Legal Analysis of the so-called “Sean Parker Initiative” (Dr. Donald Lyman & Michael Sutton, Proponents)

The California Adult Use of Marijuana Act (AUMA)

SECTION 1. TITLE.

This measure shall be known as the Control, Regulate and Tax Adult Use of Marijuana Act ("the Adult Use of Marijuana Act").

SECTION 2. FINDINGS AND DECLARATIONS.

A. Currently in California, nonmedical marijuana use is unregulated, untaxed, and occurs without any consumer or environmental protections. **[And yet people haven’t been sickened by unregulated, untaxed and uncontrolled “illegal” marijuana.]** The Control, Regulate and Tax Adult Use of Marijuana Act will legalize marijuana **[Notice this sentence does not say that AUMA will legalize only “nonmedical marijuana”]** for those over 21 years old, protect children, and establish laws to regulate marijuana cultivation, distribution, sale and use, **[notice again that this section does not clearly say that it will only regulate the cultivation, distribution, sale and use of “nonmedical marijuana,” which means it will regulate all marijuana cultivation, distribution, sale and use]** and will protect Californians and the environment from potential dangers. **[What potential dangers? Why do we need protection from “potential dangers”? This is because, despite years and years of people using non-regulated and controlled marijuana illegally, there hasn’t been much in the way of actual dangers.]** It establishes the Bureau of Marijuana Control within the Department of Consumer Affairs to regulate and license the marijuana industry. **[Note: this sentence says that the Bureau of Marijuana Control will regulate and license “the marijuana industry.” It does not limit the Bureau’s control to only “nonmedical marijuana.”]**

B. Marijuana is currently legal **[note: the use of marijuana as medicine was decriminalized by the Compassionate Use Act, Prop. 215, not “legalized”]** in our state for medical use and illegal for nonmedical use. **[The reason that marijuana is illegal for nonmedical, i.e., recreational use, is that marijuana is still scheduled by the federal government as a drug, and the federal Controlled Substances Act makes it a crime to use a drug of any scheduled level, 1 to 5, as a recreational drug. That is why marijuana needs to be DE-scheduled, as Bernie Sanders wants, and not RE-scheduled, as Hillary Clinton wants.]** Abuse of the medical marijuana system in California has long been widespread **[Really? Says who? If you believe that all use is medicinal, as do I and Dennis Peron, then there are no mis-uses of the system. This particular statement is very, very important, because the 1 percent’s plan behind AUMA and the recently adopted MMRSA is to severely limit medicinal use of whole herbal marijuana]**, but recent bipartisan legislation signed by Governor Jerry Brown is establishing a comprehensive regulatory scheme for medical marijuana. **[The “comprehensive regulatory scheme contained in MMRSA is not yet that “comprehensive,” in part because it is unconstitutional because it conflicts with The Compassionate Use Act. It is trying to limit patients’ rights to consult with doctors of their choice to get a recommendation, and to limit doctors’ rights to recommend marijuana -- all in violation of the First Amendment and of the Ninth Circuit opinion in *Conant v. Walters* (9th Cir. 2002) 309 F.3d 629, cert. denied Oct. 14, 2003.]** The Control, Regulate and Tax Adult Use of Marijuana Act (hereafter called the Adult Use of Marijuana Act) will consolidate and streamline regulation and taxation for both nonmedical and medical marijuana. **[The proponents admit that this initiative will consolidate medical and “nonmedical marijuana” into a single system. When that happened in Washington State, medical marijuana got a lot more expensive for patients.**

C. Currently, marijuana growth and sale is not being taxed by the State of California, which

means our state is missing out on hundreds of millions of dollars in potential tax revenue every year. **[This isn't even true. Dispensaries have been collecting sales tax on medical marijuana, and the Board of Equalization enforces this.]** The Adult Use of Marijuana Act will tax both the growth and sale of marijuana to generate hundreds of millions of dollars annually. **[Since when has the government ever taxed the "growth" of plants -- or of any business -- as well as the sales? The government sees marijuana as a way for it to make a lot of money -- and all that money has to come from people who want to use marijuana]** The revenues will cover the cost of administering the new law and will provide funds to: invest in public health programs that educate youth to prevent and treat serious substance abuse; train local law enforcement to enforce the new law with a focus on DUI enforcement; invest in communities to reduce the illicit market and create job opportunities; and provide for environmental cleanup and restoration of public lands damaged by illegal marijuana cultivation. **[And these revenues will come from who? People who use marijuana, of course.]**

D. Currently, children under the age of 18 can just as easily purchase marijuana on the black market as adults can. **[The black market has already been disrupted by Prop. 215 and the availability of marijuana from dispensaries, so why have the state and federal governments done everything possible to close these lawful outlets?]** By legalizing marijuana, the Adult Use of Marijuana Act will incapacitate the black market, **[this kind of "legalization," with high taxes, licenses and fees, causes the black market to flourish -- which is why AUMA provides high penalties and fines for people who do not comply with the government's efforts to corner the marijuana market for itself and its licensees]** and move marijuana purchases into a legal structure with strict safeguards against children accessing it. **[We've seen how well those "strict safeguards" against children accessing alcohol, tobacco and prescription drugs have worked. The children don't need to buy this stuff; they just steal it from mom and dad's cupboards.]** The Adult Use of Marijuana Act prohibits the sale of nonmedical marijuana to those under 21 years old, and provides new resources to educate youth against drug abuse and train local law enforcement to enforce the new law. **[Do we really need more drug education programs? Is there any evidence that these actually work? And isn't an alleged benefit of "legalization" that we'll need to spend less money on law enforcement, not more?]** It bars marijuana businesses from being located within 600 feet of schools and other areas where children congregate. **[Other areas where children congregate? What does that mean? Parks? Seven-Eleven stores?]** It establishes mandatory and strict packaging and labeling requirements for marijuana and marijuana products. **[This sounds good, but remember, this all costs money, a cost that will be picked up by consumers. People have managed to use marijuana for thousands of years without mandatory and strict labeling; this should be voluntary, and people who want a warranty about a product should be allowed to pay more if that is what they want, but no one should be forced to pay more for]** And it mandates that marijuana and marijuana products cannot be advertised or marketed towards children. **[Remember how well that's worked with tobacco and flavored alcoholic beverages?]**

E. There are currently no laws governing adult use marijuana businesses to ensure that they operate in accordance with existing California laws. **[This is untrue and confusing. Notice this talks about "adult use marijuana businesses." The only "adult use marijuana businesses" have been medical marijuana dispensaries, delivery services and "hash bars," which, in fact, served medical marijuana to adults. These businesses have operated in accordance with local business laws and with the 2008 Attorney General Guidelines.]** Adult use of marijuana may only be accessed from the unregulated illicit market. **[Again, untrue. Adults have been lawfully accessing decriminalized marijuana, thanks to the Compassionate Use Act, since 1996.]** The Adult Use of Marijuana Act sets up a comprehensive system governing marijuana businesses at the state level and safeguards local

control, allowing local governments to regulate marijuana-related activities, to subject marijuana businesses to zoning and permitting requirements, and to ban marijuana businesses by a vote of the people within a locality. **[This is disturbing. I have already seen city council members urge that a city should ban the use of medical marijuana. “Marijuana-related activities” subject to local control could include each individual’s use of marijuana. Individuals’ use of marijuana as medicine under the Compassionate Use Act is a right that cannot be made dependent on a local government’s goodwill, or on the will of the majority. So AUMA will destroy that right and subject it to local control.]**

F. Currently, illegal marijuana growers steal or divert millions of gallons of water without any accountability. **[This theft of water occurs when people are growing cannabis unlawfully on government land. It is already illegal and it can be stopped without an initiative.]** The Adult Use of Marijuana Act will create strict environmental regulations to ensure that the marijuana is grown efficiently and legally, to regulate the use of pesticides, to prevent wasting water, and to minimize water usage. **[Existing laws already regulate the use of pesticides, the reality of water prices also act as a regulation of water use, and it’s Chinese companies growing almonds who are the real over-users of California water.]** The Adult Use of Marijuana Act will crack down on the illegal use of water and punish bad actors, while providing funds to restore lands that have been damaged by illegal marijuana grows. If a business does not demonstrate they are in full compliance with the applicable water usage and environmental laws, they will have their license revoked. **[We do not need a new initiative -- which will take away patients’ Prop. 215 rights to grow marijuana for their own use -- to enforce existing laws! There are already fines set up for people growing cannabis on public lands that are intended to provide funds for rehabbing land.]**

G. Currently, the courts are clogged with cases of non-violent drug offenses. **[Many of these non-violent cases have already been diverted to specialized “collaborative justice courts,” so California’s courts are “clogged” with lots of other kinds of cases.]** By legalizing marijuana, the Adult Use of Marijuana Act will alleviate pressure on the courts **[Really? I don’t think so. AUMA actually creates a lot of new misdemeanors and felonies, mostly related to the government’s desire to fully control the marijuana market. Plus, as people engage in the cannabis industry and have to apply for licenses and engage in various business transactions, there will be plenty of related civil lawsuits]**, but continue to allow prosecutors to charge the most serious marijuana-related offenses as felonies, while reducing the penalties for minor marijuana-related offenses as set forth in the Act. **[The most serious felonies will be related to anyone who tries to interfere with the 1 percent’s efforts to create a “legal” drug cartel to control marijuana.]**

H. By bringing marijuana into a regulated and legitimate market, **[Notice this does not say “nonmedical marijuana”]** the Adult Use of Marijuana Act creates a transparent and accountable system. **[What a whopper! If AUMA is really intended to be transparent and accountable, why does AUMA specifically exempt certain actions from the Ralph M. Brown Act’s requirement for public meetings at which the public’s business is conducted?]** This will help police crackdown on the underground black market that currently benefits violent drug cartels and transnational gangs, which are making billions from marijuana trafficking and jeopardizing public safety. **[The Mexican drug cartels and the “transnational drug cartels -- Russian, Dutch, etc. -- have been losing money in California, because of the Compassionate Use Act. That is why they want AUMA to pass. The real targets for police crackdowns will be California citizens, the people who the 1 percent anticipate will continue to exercise their former rights, under the Compassionate Use Act, to grow, possess and use as much medical marijuana as they need, without having to pay the State and its controlling partners, the drug cartels, for licenses, fees and taxes on a plant they can grow**

for themselves.]

I. The Adult Use of Marijuana Act creates a comprehensive regulatory structure in which every marijuana business **[both medical and nonmedical, of course]** is overseen by a specialized agency with relevant expertise. **[We already know that the government has no expertise in marijuana.]** The Bureau of Marijuana Control, housed in the Department of Consumer Affairs, will oversee the whole system and ensure a smooth transition to the legal market, **[medical marijuana has already been “legal“]** with licenses issued beginning in 2018. The Department of Consumer Affairs will also license and oversee marijuana retailers, distributors, and microbusinesses. **[The use of the term “microbusinesses“ is supposed to make you think that AUMA will protect small business enterprises. Guess again.]** The Department of Food and Agriculture will license and oversee marijuana cultivation, ensuring it is environmentally safe. **[When is the last time, after the feds stopped spraying paraquat, that people were worried about the safety of their marijuana?]** The Department of Public Health will license and oversee manufacturing and testing, ensuring consumers receive a safe product. The State Board of Equalization will collect the special marijuana taxes, and the Controller will allocate the revenue to administer the new law and provide the funds to critical investments.

J. The Adult Use of Marijuana Act ensures the nonmedical marijuana industry in California will be built around small and medium sized businesses by prohibiting large-scale cultivation licenses for the first five years. The Adult Use of Marijuana Act also protects consumers and small businesses by imposing strict anti-monopoly restrictions for businesses that participate in the nonmedical marijuana industry.

SECTION 3. PURPOSE AND INTENT.

The purpose of the Adult Use of Marijuana Act is to establish a comprehensive system to legalize, control and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical marijuana, including marijuana products, for use by adults 21 years and older, and to tax the commercial growth and retail sale of marijuana. **[Note the use of two different terms: “nonmedical marijuana“ and “marijuana.” In other words, as has already been indicated elsewhere, AUMA is clearly intended to tax and control the sale of both “nonmedical“ and “medical marijuana.”]** It is the intent of the People in enacting this Act to accomplish the following:

(a) Take nonmedical marijuana production and sales out of the hands of the illegal market and bring them under a regulatory structure that prevents access by minors and protects public safety, public health, and the environment. **[AUMA cannot actually take the production of “nonmedical marijuana” out of the hands of the people who’ve been growing it and distributing it for years. What it can do is to take control of lawful, medical marijuana and tax and regulate the heck out of it, by turning the Compassionate Use Act’s not-for-profit medical marijuana system into a for-profit “adult marijuana” system. This will allow the big drug cartels to profit from marijuana again by having the state and its police force act as the cartels’ enforcers to arrest and fine and imprison the cartels’ competition, the small and individual marijuana growers.]**

(b) Strictly control the cultivation, processing, manufacture, distribution, testing and sale of nonmedical marijuana through a system of state licensing, regulation, and enforcement. **[Does this paragraph mean that medical marijuana isn’t going to be controlled? No, it doesn’t.]**

(c) Allow local governments to enforce state laws and regulations for nonmedical marijuana businesses and enact additional local requirements for nonmedical marijuana businesses, but not require that they do so for a nonmedical marijuana business to be issued a state license and be legal under state law. **[If you can’t understand what this means, there’s a reason. Here is what it means: “Allow local governments to enforce state laws and regulations for nonmedical**

marijuana businesses and also allow them to enact additional local requirements for nonmedical marijuana businesses, but not require that local governments enact additional local ordinances in order for the state to issue a state license for a nonmedical marijuana business to operate, in a local jurisdiction, lawfully under state law]

[Also, does this paragraph mean that medical marijuana isn't going to be regulated by local governments? No, it doesn't.]

(d) Allow local governments to ban nonmedical marijuana businesses as set forth in this Act. **[Does this paragraph mean that medical marijuana businesses can't be banned by local governments? No, it doesn't.]**

(e) Require track and trace management procedures to track nonmedical marijuana from cultivation to sale. **[Does this paragraph mean that medical marijuana isn't going to be tracked and traced, too? No, it doesn't. But it might mean that there is not going to be whole herbal "medical marijuana" anymore, and that "medical marijuana" is going to become a dose-able prescription drug.]**

(f) Require nonmedical marijuana to be comprehensively tested by independent testing services for the presence of contaminants, including mold and pesticides, before it can be sold by licensed businesses. **[Does this paragraph mean that medical marijuana isn't going to be tested, etc., before it can be sold? No, it doesn't. But it might mean that there is not going to be whole herbal "medical marijuana" anymore, and that "medical marijuana" is going to become a dose-able prescription drug.]**

(g) Require nonmedical marijuana sold by licensed businesses to be packaged in child-resistant containers and be labeled so that consumers are fully informed about potency and the effects of ingesting nonmedical marijuana. **Does this paragraph mean that medical marijuana isn't going to be sold in child-proof containers? No, it doesn't. But it might mean that there is not going to be whole herbal "medical marijuana" anymore, and that "medical marijuana" is going to become a dose-able prescription drug]**

(h) Require licensed nonmedical marijuana businesses to follow strict environmental and product safety standards as a condition of maintaining their license. **Does this paragraph mean that medical marijuana businesses aren't going to have to follow these kinds of rules to keep their licenses? No. But it might mean that there is not going to be whole herbal "medical marijuana" anymore, and that "medical marijuana" is going to become a dose-able prescription drug]**

(i) Prohibit the sale of nonmedical marijuana by businesses that also sell alcohol or tobacco. **[So much for the idea that people can buy pot at the local 7-Eleven. And why would this be a rule? Can medical marijuana be sold where tobacco and alcohol are sold?]**

(j) Prohibit the marketing and advertising of nonmedical marijuana to persons younger than 21 years old or near schools or other places where children are present.

(k) Strengthen the state's existing medical marijuana system by requiring patients to obtain by January 1, 2018, a new recommendation from their physician that meets the strict standards signed into law by the Governor in 2015, and by providing new privacy protections for patients who obtain medical marijuana identification cards as set forth in this Act. [WARNING! This is how AUMA takes away patients' Prop. 215 rights! What "strict" standards did Brown sign into law in 2015? He signed the Medical Marijuana and Safety Act that unconstitutionally, attempts to change Prop. 215's provisions. The MMRSA says that only a patient's primary care physician can give recommendations to use marijuana. It also therefore purports (unlawfully) to keep doctors who specialize in cannabinoids medicine from recommending whole herbal marijuana.

Furthermore, just as the Legislature could adopt this unconstitutional legislation, they can CHANGE legislation and make it worse. So, for example, the Compassionate Use Act says that people who have “any serious illness” that marijuana might help have a right to use it. That is how we’ve discovered that marijuana helps a lot of conditions.

But the Legislature, if AUMA is adopted by the voters, could enact legislation that states that whole herbal marijuana could be used to treat only certain enumerated conditions (which is what some states have done). Or, as has happened elsewhere, the Legislature could adopt a law that patients must rely on PRESCRIPTION drugs, rather than on whole herbal cannabis. The Legislature could thereby turn marijuana, for purposes of making lots of money, into a purely recreational drug, and force patients back into the arms of waiting Big Pharma,

This is also how the State can collect even more money from citizens: by requiring patients to get a medical marijuana ID card -- which until MMRSA passed, has been voluntary. Why voluntary? Because otherwise making people get these cards is a violation of their Fifth Amendment right against self-incrimination.

And why do people need an ID card to protect their right to privacy? A right is something you already have, so why should you need to buy a card to protect an existing right?

(I) Permit adults 21 years and older to use, possess, purchase and grow nonmedical marijuana within defined limits for use by adults 21 years and older as set forth in this Act. [By setting the age of “legal“ use at 21, AUMA sets up a LOT of people to be arrested and traumatized. That is why decriminalization of personal use is better than “legalization.”]

(m) Allow local governments to reasonably regulate the cultivation of nonmedical marijuana for personal use by adults 21 years and older through zoning and other local laws, and only to ban outdoor cultivation as set forth in this Act. [Why should local governments be allowed to regulate personal cultivation through “zoning“ and “other laws“? Shouldn’t there be uniform laws statewide? And don’t forget -- if a local government regulates anything, they charge you a fee to regulate you! They could even tax your personal garden!]

(n) Deny access to marijuana by persons younger than 21 years old who are not medical marijuana patients. [“Deny access“? This means the police will be busting kids under 21 left and right. What if the kids‘ parents don’t care if their child uses marijuana?]

(o) Prohibit the consumption of marijuana in a public place unlicensed for such use, including near K-12 schools and other areas where children are present. [Notice this applies to all marijuana, not just medical marijuana. So no one, including patients, will be able to use marijuana in any public place that is not “licensed“ for such use. It will be illegal to sue marijuana at the beach, the park, or anywhere in public, even if children are not present, because the “public place not licensed for such use” includes, and is not limited to, places where there are children.]

(p) Maintain existing laws making it unlawful to operate a car or other vehicle used for transportation while impaired by marijuana. [Already the law]

(q) Prohibit the cultivation of marijuana on public lands or while trespassing on private lands. [Already the law]

(r) Allow public and private employers to enact and enforce workplace policies pertaining to marijuana. [Already the law; and thus AUMA gives people no relief at all from policies that discriminate against people who test positive for the inactive metabolites of marijuana. So if AUMA lets all adults use marijuana “recreationally,” why doesn’t it protect them from illogical drug tests and workplace rules?]

(s) Tax the growth and sale of marijuana in a way that drives out the illicit market for marijuana and discourages use by minors, and abuse by adults. [Another big whooper. Basically, what this

says is that we need to make marijuana really expensive to make it hard for kids to buy it and to “discourage” adults from “abusing” it, and that nonetheless “drives out” the illicit market. No, when you make things more expensive, you encourage a black market. So a lot of the money from taxing the growth and sale of marijuana is going to need to be spent on law enforcement, to go after the local “black markets,” which are going to include a lot of people growing their own medical marijuana as was lawful under Prop. 215.

(t) Generate hundreds of millions of dollars in new state revenue annually for restoring and repairing the environment, youth treatment and prevention, community investment, and law enforcement. [Sounds good -- but do we really need these things? And those revenues -- they are going to come from captive consumers whose rights to grow marijuana have been co-opted by the State and its cartels.]

(u) Prevent illegal production or distribution of marijuana. [The State and its partners don't want competition.]

(v) Prevent the illegal diversion of marijuana from California to other states or countries or to the illegal market. [This has been going on for years, and AUMA isn't going to change things. “Legalizing” marijuana in Colorado has facilitated the diversion of marijuana across the entire country, as was the plan of the Marijuana Mafia, so “legalizing” marijuana in California will just facilitate more diversion of marijuana.]

(w) Preserve scarce law enforcement resources to prevent and prosecute violent crime. [Another big whopper. Remember, money from all the revenue that AUMA intends to take from citizens is supposed to be used to “provide funds to . . . train local law enforcement to enforce the new law with a focus on DUI.” A focus on DUI does not mean the police won't be doing a lot of other things related to AUMA. Like stopping people to see if they are 21 or not, and arresting them if they are not. Or working to investigate and stop the illegal diversion of marijuana to other states]

(x) Reduce barriers to entry into the legal, regulated market. [The biggest barrier to entry into the “cannabis industry” is going to be the costs of licenses and of complying with all these labeling and testing requirements. The craft beer people know just how much of a barrier these things are, and word is that Lt. Gov. Gavin Newsom was already looking at \$500,000.00 for an annual license to grow, and that much or more to retail. So AUMA is not reducing any barriers, it is creating them. Ditto for allowing local regulations instead of creating a fully statewide system; it creates a barrier that need not be created.]

(y) Require minors who commit marijuana-related offenses to complete drug prevention education or counseling and community service. [What is a “marijuana-related offense”? You know that it is going to include merely using marijuana before you are 21. Are the kids who do this going to really “learn” anything by being forced to take a class?]

(z) Authorize courts to resentence persons who are currently serving a sentence for offenses for which the penalty is reduced by the Act, so long as the person does not pose a risk to public safety, and to redesignate or dismiss such offenses from the criminal records of persons who have completed their sentences as set forth in this Act. [Authorizing courts to do something is not the same as requiring them to do something. This should be mandatory if we are really trying to help people.]

(aa) Allow industrial hemp to be grown as an agricultural product, and for agricultural or academic research, and regulated separately from the strains of cannabis with higher delta-9 tetrahydrocannabinol concentrations. [Industrial hemp is lawful under current law -- but the only kind of industrial hemp that is lawful is GMO cannabis! California farmers should not be forced to grow GMO crops, but AUMA does nothing about this very important issue. GMO hemp uses more water

than non-GMO strains, is weaker and more susceptible to sun and insect damage, and will cost farmers and consumers more because of the “patent tax“ that goes into Monsanto’s pockets.]

SECTION 4. PERSONAL USE. [Note: “personal use” necessarily includes personal use of both medical and nonmedical marijuana, and nothing in Section 4 limits its terms to “nonmedical” marijuana. So the rules about what you can grow and possess apply to patients, and AUMA seriously reduces what patients can grow and possess, and also subjects them to local ordinances -- something that is unlawful under the Compassionate Use Act.]

Sections [sic] 11018 of the Health and Safety Code is hereby amended, and Sections 11018.1 and 11018.2 of the Health and Safety Code are hereby added to read:

11018. Marijuana "Marijuana" means all parts of the plant *Cannabis sativa* L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. It 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: (a) industrial hemp, as defined in Section 11018.5; or (b) the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other product.

[So, since AUMA amends section 11018, which defined marijuana, what does section 11018 say now? How is this changing it? Here’s what it says now: “Marijuana” means all parts of the plant *Cannabis sativa* L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. It 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.” In other words, AUMA adds this: “(a) industrial hemp, as defined in Section 11018.5; or (b) the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other product.

Bear in mind that industrial hemp, as currently defined in state law, must be GMO hemp, because no natural strain of hemp meets the extremely low THC levels in that definition. So AUMA continues to make sure that California is a captive market for Monsanto’s patent-able hemp seeds. AUMA is definitely written to benefit the 1 percent, the George Soros of the world, not the 99 percent.]

11018.1. Marijuana Products "Marijuana products" means marijuana that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing marijuana or concentrated cannabis and other ingredients.

11018.2. Marijuana Accessories "Marijuana accessories" means any equipment, products or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing marijuana, or for ingesting, inhaling, or otherwise introducing marijuana or marijuana products into the human body. [According to this definition, a shovel or a test tube is a “marijuana accessory.” A shovel is “equipment” which is used in cultivating outdoor marijuana, at least by home gardeners. So how stupid is this? We need to see if a provision later on lets the state confiscate

“marijuana accessories” from people who interfere with its monopoly; the state would want this broadly written, in that case.]

Sections 11362.1 through 11362.45 are added to the Health and Safety Code, to read:

11362.1. (a) Subject to Sections 11362.2, 11362.3, 11362.4, and 11362.45, but notwithstanding any other provision of law, it shall be lawful under state and local law, and shall not be a violation of state or local law, for persons 21 years of age or older to:

(1) Possess, process, transport, purchase, obtain, or give away to persons 21 years of age or older without any compensation whatsoever, not more than 28.5 grams of marijuana not in the form of concentrated cannabis; **[28.5 grams is an ounce -- and not very much marijuana if you are a patient with certain illnesses. And how often are you allowed to do each of these things? And only an ounce? Because the cartels don't want any competition. Under current law, patients can do all of these things with as much marijuana as they need.]**

(2) Possess, process, transport, purchase, obtain, or give away to persons 21 years of age or older without any compensation whatsoever, not more than eight grams of marijuana in the form of concentrated cannabis, including as contained in marijuana products; **[8 grams is not a lot of hash, and under current law there is no limit on what patients can possess, etc. If you were making hash from the leaf of all the plants you are allowed to grow under the Compassionate Use Act, you would end up with a lot more than 8 grams of hash. Under AUMA, you'd immediately be in violation of this code section that AUMA will add.]**

(3) Possess, plant, cultivate, harvest, dry, or process not more than six living marijuana plants and possess the marijuana produced by the plants; **[this would be a big change from the CUA is AUMA passes; now patients can grow as much as they need for personal medicinal use. Six plants are not enough for people who grow outside, since they can die in the middle of a season, so you need to grow enough to get a harvest that will last a whole year. Does this mean “not more than six plants “at any one time””? Does it mean “each year””? And if you can only possess 8 grams of hash, and an ounce of marijuana, but this section says you can possess “the marijuana produced by the plants,” what does that mean? What if the plants produce more than an ounce of marijuana and 8 grams of hash? This is ambiguous. It should at least say, “Possess all the marijuana and hash produced by the plants each person has grown in the past year.” This is just a NEW legal problem waiting to happen if AUMA passes.]**

(4) Smoke or ingest marijuana or marijuana products; and

(5) Possess, transport, purchase, obtain, use, manufacture, or give away marijuana accessories to persons 21 years of age or older without any compensation whatsoever. **[So you can give someone a shovel or a test tube, but you can't ask them to reimburse you for it? And you definitely can't ask anyone for any money for marijuana you grew -- what was that section about reducing barriers -- oh, that was about reducing barriers into the legal, regulated market, for which right you have to pay the State a lot of money for a license, testing and labeling. And don't forget -- no matter what license fee AUMA mentions, the license fees can be changed in the future by the State without a vote of the People. And do you think the fees will go down? No, they always go up.]**

(b) Paragraph (5) of subdivision (a) is intended to meet the requirements of subdivision (f) of Section 863 of Title 21 of the United States Code (21 U.S.C. § 863 (f)) by authorizing, under state law, any person in compliance with this section to manufacture, possess, or distribute marijuana accessories. **[We already know that we shouldn't be trying to comply with federal law when it comes to marijuana. Is there actually any evidence that using marijuana before turning 21 is bad for you? We make a lot of assumptions without any evidence.]**

(c) Marijuana and marijuana products involved in any way with conduct deemed lawful by this section are not contraband nor subject to seizure, and no conduct deemed lawful by this section shall constitute the basis for detention, search, or arrest.

11362.2. (a) Personal cultivation of marijuana under paragraph (3) of subdivision (a) of Section 11362.1 is subject to the following restrictions:

(1) A person shall plant, cultivate, harvest, dry, or process plants **in accordance with local ordinances**, if any, adopted in accordance with subdivision (b) of this section. **[AUMA will subject people's existing rights under the CUA (to grow and possess as much medical marijuana as they need) to local regulations which could totally ban any outdoor cultivation and force people to grow indoors, see subdivision (b) below]**

(2) The living plants and any marijuana produced by the plants in excess of 28.5 grams are kept within the person's private residence, or upon the grounds of that private residence (e.g., in an outdoor garden area), are in a locked space, and are not visible by normal unaided vision from a public place.

(3) Not more than six living plants may be planted, cultivated, harvested, dried, or processed within a single private residence, or upon the grounds of that private residence, at one time. **[Note: this sets a MAXIMUM number of plants that an adult can grow. However, nothing in AUMA prevents a local government from further LIMITING the number of plants a person can grow. Unbelievable, right? But true. Also, noting in AUMA prevents local governments from charging a hefty fee for a license to grow your own marijuana! Again, see (b)(1) below.]**

(b)(1) A city, county, or city and county may enact and enforce reasonable regulations to reasonably regulate the actions and conduct in paragraph (3) of subdivision (a) of Section 11362.1. [Local governments can make any ordinance "reasonable" by making a finding that it is reasonable to restrict the number of plants you can grow, where and when you can grow them (the smell!) etc. So are you going to be able to afford to sue your local government if you don't like its local rules? AUMA really sucks!]

(2) Notwithstanding paragraph (1), no city, county, or city and county may **completely** prohibit persons engaging in the actions and conduct under paragraph (3) of subdivision (a) of Section 11362.1 **inside** a private residence, or **inside** an accessory structure to a private residence located upon the grounds of a private residence that is fully enclosed and secure. **[So local governments can ban all outdoor cultivation, making growing marijuana much more expensive and harder than it needs to be. There's a reason for that -- to discourage competition from consumers.]**

(3) Notwithstanding paragraph (3) of subdivision (a) of Section 11362.1, a city, county, or city and county may completely prohibit persons from engaging in actions and conduct under paragraph (3) of subdivision (a) of Section 11362.1 outdoors upon the grounds of a private residence. **[Just in case you didn't get it already, this means that local jurisdictions can ban outdoor cultivation.]**

(4) Paragraph (3) of this subdivision shall become inoperable upon a determination by the California Attorney General that nonmedical use of marijuana is lawful in the State of California under federal law, and an act taken by a city, county, or city and county under paragraph (3) shall be deemed repealed upon the date of such determination by the California Attorney General. **[Here's another big trick. AUMA is supposed to "legalize" the "adult use" of "nonmedical marijuana, right? Yet it's clear from this that the AUMA proponents know perfectly well that the nonmedical use of marijuana is still illegal under federal law. But the only way that nonmedical use will be lawful under federal law is if marijuana is totally DE-scheduled (like Bernie Sanders wants). If marijuana is merely RE-scheduled, like Hillary Clinton wants, then nonmedical use will not be lawful under federal law. So everyone will need to hide their adult use, recreational marijuana from sight.]**

(5) For purposes of this section, "private residence" means a house, an apartment unit, a mobile home, or other similar dwelling.

11362.3. (a) Nothing in Section 11362.1 shall be construed to permit any person to: **[Note: "Any person" includes medical marijuana patients. Remember, under the CUA, patients have been able to use marijuana in places where smoking tobacco is not allowed. That is because marijuana is medicine for them. But AUMA treats all marijuana as though it is a bad thing, like tobacco and alcohol, which cause cancer, even though use of marijuana prevents cancer. (2) Ask yourself: if people aren't permitted to do these things, then if they do them, are they committing a new crime? You bet, with fines and penalties, too. So much for conserving scarce law enforcement resources!]**

(1) Smoke or ingest marijuana or marijuana products in any public place, except in accordance with Section 26200 of the Business and Professions Code.

(2) Smoke marijuana or marijuana products in a location where smoking tobacco is prohibited.

(3) Smoke marijuana or marijuana products within 1,000 feet of a school, day care center, or youth center while children are present at such a school, day care center, or youth center, except in or upon the grounds of a private residence or in accordance with Section 26200 of the Business and Professions Code or Chapter 3.5 of Division 8 of the Business and Professions Code and only if such smoking is not detectable by others on the grounds of such a school, day care center, or youth center while children are present. **[So if your back yard is near enough to one of these places "others" (not just children) might smell marijuana smoke, you can't smoke outside.]**

(4) Possess an open container or open package of marijuana or marijuana products while driving, operating, or riding in the passenger seat or compartment of a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation. **[So if commercial "joints" come in packages like cigarettes, and you have an opened package, better not have it in the car, anywhere, even if it's not within reach, until lawsuits determine if "possess" means "within reach."]**

(5) Possess, smoke or ingest marijuana or marijuana products in or upon the grounds of a school, day care center, or youth center while children are present.

(6) Manufacture concentrated cannabis using a volatile solvent, unless done in accordance with a license under Chapter 3.5 of Division 8 or Division 10 of the Business and Professions Code.

(7) Smoke or ingest marijuana or marijuana products while driving, operating a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation.

(8) Smoke or ingest marijuana or marijuana products while riding in the passenger seat or compartment of a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation except as permitted on a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation that is operated in accordance with Section 26200 of the Business and Professions Code and while no persons under the age of 21 years are present.

(b) For purposes of this section, "day care center" has the same meaning as in Section 1596.76.

(c) For purposes of this section, "smoke" means to inhale, exhale, burn, or carry any lighted or **heated device** or pipe, or any other lighted or heated marijuana or marijuana product intended for inhalation, whether natural or synthetic, in any manner or in any form. "Smoke" includes the use of an electronic smoking device that creates an aerosol or vapor, in any manner or in any form, or the use of any oral smoking device for the purpose of circumventing the prohibition of smoking in a place. **[So now that a device was invented to avoid creating second hand smoke, you're not allowed to use it. Hmmm.]**

(d) For purposes of this section, "volatile solvent" means volatile organic compounds, including: (1) explosive gases, such as Butane, Propane, Xylene, Styrene, Gasoline, Kerosene, O₂ or H₂; and (2)

dangerous poisons, toxins, or carcinogens, such as Methanol, Iso-propyl Alcohol, Methylene Chloride, Acetone, Benzene, Toluene, and Tri-chloro-ethylene.

(e) For purposes of this section, "youth center" has the same meaning as in Section 11353.1.

(f) Nothing in this section shall be construed or interpreted to amend, repeal, affect, restrict, or preempt laws pertaining to the Compassionate Use Act of 1996. [WARNING! This is the language that people like Chris Conrad and Mikki Norris are going to tell you mean that these provisions do not apply to patients. But Mikki and Chris are not lawyers, and, more to the point, they are neither trained in, nor experienced with, statutory interpretation, a rather esoteric legal specialty.

So here's why this doesn't protect patients' rights under the CUA. This says that nothing in this section -- the section that really limits what "any person" [remember, "any person" includes patients] can do -- should be interpreted to "amend, repeal, affect, restrict or preempt laws pertaining to the Compassionate Use Act.

But if this language was really intended to protect the CUA, it would have said "Nothing in this section shall be construed or interpreted to amend, repeal, affect, restrict, or preempt the Compassionate Use Act of 1996." Instead, it says it's not intended to affect "laws pertaining to the CUA."

And what laws "pertain to the CUA"? The only "laws" that "pertain to the CUA" were the legislation known as SB 420, which added various code sections to the Health & Safety Code as the Medical Marijuana Program Act, which included unconstitutional plant and quantity limits, and the voluntary ID Card program . But legislation adopted by the Legislature can't be "protected" by AUMA, because the Legislature has the right to change mere legislation -- it just can't change the provisions of most voter-adopted initiatives. Unless, of course, the initiative gives the Legislature the power to change the initiative after people are tricked into voting for it. And that is what AUMA does.]

11362.4. (a) A person who engages in the conduct described in paragraph (1) of subdivision (a) of Section 11362.3 [smoking marijuana in a public place, like the beach] is guilty of an infraction punishable by no more than a one hundred dollar (\$100) fine; provided, however, that persons under the age of 18 shall instead be required to complete four hours of a drug education program or counseling, and up to 10 hours of community service, over a period not to exceed 60 days once the drug education program or counseling and community service opportunity are made available to the person.

(b) A person who engages in the conduct described in paragraphs (2) through (4) of subdivision (a) of Section 11362.3 [smoking marijuana where smell can reach children, smoking where tobacco smoke is prohibited, having an open container of marijuana in car] shall be guilty of an infraction punishable by no more than a two hundred and fifty dollar (\$250) fine, unless such activity is otherwise permitted by state and local law; provided, however, that persons under the age of 18 shall instead be required to complete four hours of drug education or counseling, and up to 20 hours of community service, over a period not to exceed 90 days once the drug education program or counseling and community service opportunity are made available to the person.

(c) A person who engages in the conduct described in paragraph (5) of subdivision (a) of Section 11362.3 [smoking on a school campus where children are present] shall be subject to the same punishment as provided under subdivisions (c) or (d) of Section 11357. [So if you're 18 or older, you're guilty of a misdemeanor and face a \$250 fine, and, on a second offense, \$500 fine and 10 days in jail. If you're under 18, you get to pay for 8 hours drug education or counseling and do up to 40 hours of community service. On a second offense, you have to complete 10 hours of

education or counseling and up to 60 hours of community service. Remember, people have to PAY for your supervision in order to perform community service (most people don't know this.)]

(d) A person who engages in the conduct described in paragraph (6) of subdivision (a) of Section 11362.3 **[making concentrated cannabis using a volatile solvent]** shall be subject to punishment under Section 11379. 6. **[This means a prison sentence of three, five, or seven years and a fine not exceeding fifty thousand dollars (\$50,000). Is 151 proof alcohol a volatile solvent? I think it is. So, are people making Rick Simpson Oil this way for personal use going to prison? Yes, if they get caught.]**

(e) A person who violates the restrictions in subdivision (a) of Section 11362.2 **[cultivation of no more than 6 plants, plus all the rules about the amounts you can possess]** is guilty of an infraction punishable by no more than a two hundred and fifty dollar (\$250) fine. Notwithstanding subdivision (e), a person under the age of 18 who violates the restrictions in subdivision (a) of Section 11362.2 shall be punished under subdivision (a) of Section 11358. **[Section 11358 provides that “Every person who plants, cultivates, harvests, dries, or processes any marijuana or any part thereof, except as otherwise provided by law, shall be punished by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code.”**

How much imprisonment? Section 1170, subd. (h) provides that “(1) Except as provided in paragraph (3), a felony punishable pursuant to this subdivision where the term is not specified in the underlying offense shall be punishable by a term of imprisonment in a county jail for 16 months, or two or three years.”

So if you're under 18 and are growing any marijuana, you go to jail for up to three years, or at least 16 months. Wow.]

(g)(l) The drug education program or counseling hours required by this section shall be mandatory unless the court makes a finding that such a program or counseling is unnecessary for the person or that a drug education program or counseling is unavailable.

(2) The drug education program required by this section for persons under the age of 18 must be free to participants and provide at least four hours of group discussion or instruction based on science and evidence-based principles and practices specific to the use and abuse of marijuana and other controlled substances. **[Does the drug “counseling“ program also have to be free? Not clear. Does the community service also have to be free? The system makes people pay in order to do community service, to cover the costs of supervision.]**

(h) Upon a finding of good cause, the court may extend the time for a person to complete the drug education or counseling, and community service required under this section.

11362.45. Nothing in section 11362.1 shall be construed or interpreted to amend, repeal, affect, restrict, or preempt:

(a) Laws making it unlawful to drive or operate a vehicle, boat, vessel, or aircraft, while smoking, ingesting, or impaired by, marijuana or marijuana products, including, but not limited to, subdivision (e) of Section 23152 of the Vehicle Code, or the penalties prescribed for violating those laws.

(b) Laws prohibiting the sale, administering, furnishing, or giving away of marijuana, marijuana products, or marijuana accessories, or the offering to sell, administer, furnish, or give away marijuana, marijuana products, or marijuana accessories to a person younger than 21 years of age.

(c) Laws prohibiting a person younger than 21 years of age from engaging in any of the actions or conduct otherwise permitted under Section 11362.1. **[So some very serious penalties still apply to youth who have anything to do with marijuana.]**

(d) Laws pertaining to smoking or ingesting marijuana or marijuana products on the grounds of,

or within, any facility or institution under the jurisdiction of the Department of Corrections and Rehabilitation or the Division of Juvenile Justice, or on the grounds of, or within, any other facility or institution referenced in Section 4573 of the Penal Code.

(e) Laws providing that it would constitute negligence or professional malpractice to undertake any task while impaired from smoking or ingesting marijuana or marijuana products.

(f) The rights and obligations of public and private employers to maintain a drug and alcohol free workplace or require an employer to permit or accommodate the use, consumption, possession, transfer, display, transportation, sale, or growth of marijuana in the workplace, or affect the ability of employers to have policies prohibiting the use of marijuana by employees and prospective employees, or prevent employers from complying with state or federal law. **[So AUMA does absolutely nothing to prevent employers from prohibiting all off-duty use of marijuana, even use that does not impair employees at work.]**

(g) The ability of a state or local government agency to prohibit or restrict any of the actions or conduct otherwise permitted under Section 11362.1 within a building owned, leased, or occupied by the state or local government agency.

(h) The ability of an individual or private entity to prohibit or restrict any of the actions or conduct otherwise permitted under Section 113 62.1 on the individual's or entity's privately owned property. **[This means that landlords can even prohibit patients from using medical marijuana,]**

(i) Laws pertaining to the Compassionate Use Act of 1996. **[WARNING: Remember, saying that AUMA is not intended to repeal laws that pertain to the Compassionate Use Act is not the same as saying AUMA is not intended to repeal the Compassionate Use Act. The attorneys who put these POS initiatives together are very, very tricky. But a good attorney can “reverse engineer” what they’ve done to try to trick voters. It’s very clear to me that AUMA does repeal the Compassionate Use Act, and does change the CUA’s provisions that protect patients’ rights**

SECTION 5. USE OF MARIJUANA FOR MEDICAL PURPOSES.

Sections 11362.712, 11362.713, 11362.84 and 11362.85 are added to the Health and Safety Code, and 11362.755 of the Health and Safety Code is amended to read:

11362.712. (a) Commencing on January 1, 2018, a qualified patient must possess a physician's recommendation that complies with Article 25 (commencing with Section 2525) of Chapter 5 of Division 2 of the Business and Professions Code. Failure to comply with this requirement shall not, however, affect any of the protections provided to patients or their primary caregivers by Section 11362.5. **[WARNING! This affects patients’ rights big time!**

First, let’s look at B & P section 2525.1. It provides that “The Medical Board of California shall consult with the California Marijuana Research Program, known as the Center for Medicinal Cannabis Research, authorized pursuant to Section 11362.9 of the Health and Safety Code, on developing and adopting medical guidelines for the appropriate administration and use of medical cannabis. So the same people who have fought against the use of medical marijuana (and who get kick-backs from pharmaceutical companies) are going to tell your doctors how to tell you to “appropriately administer and use marijuana. This means the Medical Board will also be able to decide for which illnesses marijuana can be recommended, and for which illnesses a pharmaceutical drug should be administered instead. And doctors who don’t go along with these guidelines can be disciplined.

Next, B & P section 2525.2 provides that “An individual who possesses a license in good standing to practice medicine or osteopathy issued by the Medical Board of California or the Osteopathic Medical Board of California shall not recommend medical cannabis to a patient, unless that person is the patient’s attending physician, as defined by subdivision (a) of Section

11362.7 of the Health and Safety Code.

Health and Safety Code section 11362.7 provides that “(a) “Attending physician” means an individual who possesses a license in good standing to practice medicine or osteopathy issued by the Medical Board of California or the Osteopathic Medical Board of California and who has taken responsibility for an aspect of the medical care, treatment, diagnosis, counseling, or referral of a patient and who has conducted a medical examination of that patient before recording in the patient’s medical record the physician’s assessment of whether the patient has a serious medical condition and whether the medical use of marijuana is appropriate.”

So does this mean that a doctor can’t use a patient’s existing medical records or the patient’s self-reported symptoms to determine if the patient has a serious medical condition for which the use of marijuana is appropriate, and has to make this determination based on his or her own examination? Will such an examination reveal lupus, multiple sclerosis, insomnia, chronic pain, etc.? This provision seems designed to discourage doctors from recommending medical marijuana, for fear of discipline by the Medical Board. And if patients can’t get a recommendation, what then?

Next, B & P section 2525.3 provides that “Recommending medical cannabis to a patient for a medical purpose without an appropriate prior examination and a medical indication constitutes unprofessional conduct.” “What is an “appropriate prior examination” and a “medical indication”? This provision also seems designed to discourage doctors from recommending medical marijuana, for fear of discipline by the Medical Board.

(b) A county health department or the county's designee shall develop protocols to ensure that, commencing upon January 1, 2018, all identification cards issued pursuant to Section 11362.71 are supported by a physician's recommendation that complies with Article 25 (commencing with Section 2525) of Chapter 5 of Division 2 of the Business and Professions Code. **[Requiring ID cards for medical patients is just another layer of expense and hassle and is designed to scare doctors into not recommending medical marijuana, by having more government officials looking over their shoulders.]**

11362.13. (a) Information identifying the names, addresses, or social security numbers of patients, their medical conditions, or the names of their primary caregivers, received and contained in the records of the Department of Public Health and by any county public health department are hereby deemed "medical information" within the meaning of the Confidentiality of Medical Information Act (Civil Code § 56, et seq.) and shall not be disclosed by the Department or by any county public health department except in accordance with the restrictions on disclosure of individually identifiable information under the Confidentiality of Medical Information Act. **[“Except“ means that your records can be disclosed.]**

(b) Within 24 hours of receiving any request to disclose the name, address, or social security number of a patient, their medical condition, or the name of their primary caregiver, the Department of Public Health or any county public health agency shall contact the patient and inform the patient of the request and if the request was made in writing, a copy of the request.

(c) Notwithstanding Section 56.10 of the Civil Code, neither the Department of Public Health, nor any county public health agency, shall disclose, nor shall they be ordered by agency or court to disclose, the names, addresses, or social security numbers of patients, their medical conditions, or the names of their primary caregivers, sooner than the 10th day after which the patient whose records are sought to be disclosed has been contacted. **[So much for confidentiality; this provision allows your medical records to be disclosed after a 10-day period!]**

(d) No identification card application system or database used or maintained by the Department

of Public Health or by any county department of public health or the county's designee as provided in Section 113 62.71 shall contain any personal information of any qualified patient, including but not limited to, the patient's name, address, social security number, medical conditions, or the names of their primary caregivers. Such an application system or database may only contain a unique user identification number, and when that number is entered, the only information that may be provided is whether the card is valid or invalid. **11362.755.** (a) The department shall establish **application and renewal fees** for persons seeking to obtain or renew identification cards that are sufficient to cover the expenses incurred by the department, including the startup cost, the cost of reduced fees for Medi-Cal beneficiaries in accordance with subdivision (b), the cost of identifying and developing a cost effective Internet Web based system, and the cost of maintaining the 24 hour toll free telephone number. Each county health department or the county's designee may charge **an additional fee** for all costs incurred by the county or the county's designee for administering the program pursuant to this article.

(b) In no event shall the amount of the fee charged by a county health department exceed \$100 per application or renewal. **[Notice that this doesn't say how often the ID card must be renewed. So, is this an annual fee of \$100?]**

(c) Upon satisfactory proof of participation and eligibility in the Medi-Cal program, a Medi-Cal beneficiary shall receive a 50 percent reduction in the fees established pursuant to this section.

(d) Upon satisfactory proof that a qualified patient, or the legal guardian of a qualified patient under the age of 18, is a medically indigent adult who is eligible for and participates in the County Medical Services Program, the fee established pursuant to this section shall be waived.

(e) In the event the fees charged and collected by a county health department are not sufficient to pay for the administrative costs incurred in discharging the county health department's duties with respect to the mandatory identification card system, the Legislature, upon request by the county health department, shall reimburse the county health department for those reasonable administrative costs in excess of the fees charged and collected by the county health department. **[Why do people who use marijuana as medicine need an ID card? In a system that legalizes "adult" ("recreational") use as well as medical use, the reason for a medical ID card should be so medical marijuana can be bought for less, or so that patients can avoid paying taxes on medical marijuana. Let's see if there are any such provisions for lower prices or lower taxes later on in this initiative.]**

11362.84. The status and conduct of a qualified patient who acts in accordance with the Compassionate Use Act shall not, by itself, be used to restrict or abridge custodial or parental rights to minor children in any action or proceeding under the jurisdiction of family or juvenile court. **[This sounds good -- the problem is that if AUMA is adopted, AUMA itself replaces the Compassionate Use Act. So there won't be any Compassionate Use Act with which a patient can act in compliance!]**

If AUMA really wanted to protect parental rights -- and not just the rights of patients who use marijuana as medicine, but of all the adults who can lawfully use marijuana under AUMA, then it would have said, very simply, "A person's possession, use, or cultivation of marijuana or concentrated marijuana may not be used as a basis to abridge or restrict custodial or parental rights to dependent children in the absence of clear and convincing evidence that such possession, use or cultivation makes such person an unfit custodian or parent."]

11362.85. Upon a determination by the California Attorney General that the federal schedule of controlled substances has been amended to reclassify or declassify marijuana, the Legislature may amend or repeal the provisions of the Health and Safety Code, as necessary, to conform state law to such changes in federal law. **[WARNING! This provision seriously endangers people's right to use marijuana as a herbal medicine, and puts them at risk of being forced to use prescription drugs]**

instead! Remember, one of the problems with AUMA is that what you see now is not what you get in the future, because it allows the State to change its provisions!

If marijuana is merely RE-scheduled, as Hillary Clinton wants to do, then it can be “prescribed” as medicine instead of merely “recommended.” But pharmaceutical companies are coming out with compounded cannabinoid-based prescription drugs, like Sativex, and have already come out with synthetic cannabinoids drugs, like Marinol.

So the State Legislature, which gets lots of campaign contributions from Big Pharma, could change the Health & Safety Code, and the Medical Board can change its Guidelines, so that doctors must prescribed compounded prescription drugs instead of whole herbal cannabis. This would be part of what’s gone on in other states, like Washington, in which the medical aspects of marijuana have been turned into a recreational use, and patients are being pushed back into prescription drugs.]

SECTION 6. MARIJUANA REGULATION AND SAFETY. Division 10 is hereby added to the Business and Professions Code to read as follows:

Division 10. Marijuana

Chapter 1. General Provisions and Definitions

26000. (a) 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 nonmedical marijuana and marijuana products for adults 21 years of age and over.

(b) In the furtherance of subdivision (a), this division expands the power and duties of the existing state agencies responsible for controlling and regulating the medical cannabis industry under Chapter 3.5 of Division 8 to include the power and duty to control and regulate the commercial nonmedical marijuana industry. **[Chapter 3.5 of Division 8 is part of the new laws enacted as the Medial Marijuana Regulation and Safety Act. So AUMA is just piggy-backing recreational use (called “adult use” in AUMA) on the new and unconstitutional medical marijuana laws that violate the CUA.]**

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

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

(a) "Applicant" means the following: (1) The owner or owners of a proposed licensee. "Owner" means all persons having (A) an aggregate ownership interest (other than a security interest, lien, or encumbrance) of 20 percent or more in the licensee and (B) the power to direct or cause to be directed, the management or control of the licensee. (2) If the applicant is a publicly traded company, "owner" includes the chief executive officer and any member of the board of directors and any person or entity with an aggregate ownership interest in the company of 20 percent or more. If the applicant is a nonprofit entity, "owner" means both the chief executive officer and any member of the board of directors.

(b) "Bureau" means the Bureau of Marijuana Control within the Department of Consumer Affairs.

(c) "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.

(d) "Commercial marijuana activity" includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, labeling, transportation, distribution, delivery or sale of marijuana and marijuana products as provided for in this division.

(e) "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing,

grading, or trimming of marijuana.

(f) "Customer" means a natural person 21 years of age or over.

(g) "Day care center" shall have the same meaning as in Section 1596. 76 of the Health and Safety Code.

(h) "Delivery" means the commercial transfer of marijuana or marijuana products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed under this division, that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of marijuana or marijuana products.

(i) "Director" means the Director of the Department of Consumer Affairs.

(j) "Distribution" means the procurement, sale, and transport of marijuana and marijuana products between entities licensed pursuant to this division.

(k) "Fund" means the Marijuana Control Fund established pursuant to Section 26210.

(l) "Kind" means applicable type or designation regarding a particular marijuana variant or marijuana product type, including, but not limited to, strain name or other grower trademark, or growing area designation.

(m) "License" means a state license issued under this division.

(n) "Licensee" means any person or entity holding a license under this division.

(o) "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.

(p) "Local jurisdiction" means a city, county, or city and county.

(q) "Manufacture" means to compound, blend, extract, infuse, or otherwise make or prepare a marijuana product.

(r) "Manufacturer" means a person that conducts the production, preparation, propagation, or compounding of marijuana or marijuana 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 marijuana or marijuana products or labels or re-labels its container, that holds a state license pursuant to this division.

(s) "Marijuana" has the same meaning as in Section 11018 of the Health and Safety Code, except that it does not include marijuana that is cultivated, processed, transported, distributed, or sold for medical purposes under Chapter 3. 5 of Division 8. [So AUMA is putting medical marijuana under the control of the State Legislature, and the State Legislature can simply end medical marijuana as a program.]

(t) "Marijuana accessories" has the same meaning as in Section 11018.2 of the Health and Safety Code.

(u) "Marijuana products" has the same meaning as in Section 11018.1 of the Health and Safety Code, **except that it does not include marijuana products manufactured, processed, transported, distributed, or sold for medical purposes under Chapter 3.5 of Division 8. [So AUMA is putting medical marijuana under the control of the State Legislature, and the State Legislature can simply end medical marijuana as a program.]**

(v) "Nursery" means a licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of marijuana.

(w) "Operation" means any act for which licensure is required under the provisions of this division, or any commercial transfer of marijuana or marijuana products.

(x) "Package" means any container or receptacle used for holding marijuana or marijuana products.

(y) "Person" includes any individual, firm, co-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.

(z) "Purchaser" means the customer who is engaged in a transaction with a licensee for purposes of obtaining marijuana or marijuana products.

(aa) "Sell, " "sale, " and "to sell" include any transaction whereby, for any consideration, title to marijuana is transferred from one person to another, and includes the delivery of marijuana or marijuana 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 marijuana or marijuana products by a licensee to the licensee from whom such marijuana or marijuana product was purchased.

(bb) "Testing service" means a laboratory, facility, or entity in the state, that offers or performs tests of marijuana or marijuana products, including the equipment provided by such laboratory, facility, or entity, and that is both of the following: (1) Accredited by an accrediting body that is independent from all other persons involved in commercial marijuana activity in the state. (2) Registered with the Department of Public Health.

(cc) "Unique identifier" means an alphanumeric code or designation used for reference to a specific plant on a licensed premises.

(dd) "Unreasonably impracticable" means that the measures necessary to comply with the regulations require such a high investment of risk, money, time, or any other resource or asset, that the operation of a marijuana establishment is not worthy of being carried out in practice by a reasonably prudent business person.

(ee) "Youth center" shall have the same meaning as in Section 11353.1 of the Health and Safety Code.

Chapter 2. Administration

26010. (a) The Bureau of Medical Marijuana Regulation established in Section 19302 in Chapter 3.5 of Division 8 [that is MMRSA] is hereby renamed the Bureau of Marijuana Control. [So AUMA changes the newly adopted-by-the-Legislature legislation, the unconstitutional MMRSA, from legislation about “medical marijuana” to just “marijuana.”] The director shall administer and enforce the provisions of this division in addition to the provisions of Chapter 3. 5 of Division 8. The director shall have the same power and authority as provided by subdivisions (b) and (c) of Section 19302.1 for purposes of this division.

(b) The bureau and the director shall succeed to and are vested with all the duties, powers, purposes, responsibilities, and jurisdiction vested in the Bureau of Medical Marijuana Regulation under Chapter 3.5 of Division 8.

(c) In addition to the powers, duties, purposes, responsibilities, and jurisdiction referenced in subdivision (b), the bureau shall heretofore have the power, duty, purpose, responsibility, and jurisdiction to regulate commercial marijuana activity as provided in this division.

(d) Upon the effective date of this section, whenever "Bureau of Medical Marijuana Regulation" appears in any statute, regulation, or contract, or in any other code, it shall be construed to refer to the bureau. 26011. Neither the chief of the bureau nor any member of the Marijuana Control Appeals Panel established under Section 26040 shall have nor do any of the following: (a) Receive any commission or profit whatsoever, directly or indirectly, from any person applying for or receiving any license or permit under this division or Chapter 3.5 of Division 8. (b) Engage or have any interest in the sale or any insurance covering a licensee's business or premises. (c) Engage or have any interest in the sale of equipment for use upon the premises of a licensee engaged in commercial marijuana activity. (d) Knowingly solicit any licensee for the purchase of tickets for benefits or contributions for benefits. (e)

Knowingly request any licensee to donate or receive money, or any other thing of value, for the benefit of any person whatsoever. 13 26012. (a) It being a matter of statewide concern, except as otherwise authorized in this division: (1) The Department of Consumer Affairs shall have the exclusive authority to create, issue, renew, discipline, suspend, or revoke licenses for the transportation, storage unrelated to manufacturing activities, distribution, and sale of marijuana within the state. (2) The Department of Food and Agriculture shall administer the provisions of this division related to and associated with the cultivation of marijuana. The Department of Food and Agriculture shall have the authority to create, issue, and suspend or revoke cultivation licenses for violations of this division. (3) The Department of Public Health shall administer the provisions of this division related to and associated with the manufacturing and testing of marijuana. The Department of Public Health shall have the authority to create, issue, and suspend or revoke manufacturing and testing licenses for violations of this division. (b) The licensing authorities and the bureau shall have the authority to collect fees in connection with activities they regulate concerning marijuana. The bureau may create licenses in addition to those identified in this division that the bureau deems necessary to effectuate its duties under this division. (c) Licensing authorities shall begin issuing licenses under this division by January 1, 2018. 26013. (a) Licensing authorities shall make and prescribe reasonable rules and regulations as may be necessary to implement, administer and enforce their respective duties under this division in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Such rules and regulations shall be consistent with the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act. (b) Licensing authorities may prescribe, adopt, and enforce any emergency regulations as necessary to implement, administer and enforce their respective duties under this division. Any emergency regulation prescribed, adopted or enforced pursuant to this section shall be adopted in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and, for purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of the regulation is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare. (c) Regulations issued under this division shall be necessary to achieve the purposes of this division, based on best available evidence, and shall mandate only commercially feasible procedures, technology; or other requirements, and shall not unreasonably restrain or inhibit the development of alternative procedures or technology to achieve the same substantive requirements, nor shall such regulations make compliance unreasonably impracticable.

26014. (a) The bureau shall convene an advisory committee to advise the bureau and licensing authorities on the development of standards and regulations pursuant to this division, including best practices and guidelines that protect public health and safety while ensuring a regulated environment for commercial marijuana activity that does not impose such unreasonably impracticable barriers so as to perpetuate, rather than reduce and eliminate, the illicit market for marijuana. (b) The advisory committee members shall include, but not be limited to, representatives of the marijuana industry, representatives of labor organizations, appropriate state and local agencies, public health experts, and other subject matter experts, including representatives from the Department of Alcoholic Beverage Control, with expertise in regulating commercial activity for adult-use intoxicating substances.

[NOTE: Marijuana is not an intoxicant, it's a euphoric. Note also that representatives do not include anyone representing consumers' interests in lowering the price of marijuana!] The advisory committee members shall be determined by the director. [This gives one person a lot of power1]

(c) Commencing on January 1, 2019, the advisory committee shall publish an annual public report describing its activities including, but not limited to, the recommendations the advisory

committee made to the bureau and licensing authorities during the immediately preceding calendar year and whether those recommendations were implemented by the bureau or licensing authorities.

26015. A licensing authority may make or cause to be made such investigation as it deems necessary to carry out its duties under this division.

26016. For any hearing held pursuant to this division, except a hearing held under Chapter 4, a licensing authority may delegate the power to hear and decide to an administrative law judge. Any hearing before an administrative law judge shall be pursuant to the procedures, rules, and limitations prescribed in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

26017. In any hearing before a licensing authority pursuant to this division, the licensing authority may pay any person appearing as a witness at the hearing at the request of the licensing authority pursuant to a subpoena, his or her actual, necessary, and reasonable travel, food, and lodging expenses, not to exceed the amount authorized for state employees.

26018. A licensing authority may on its own motion at any time before a penalty assessment is placed into effect, and without any further proceedings, review the penalty, but such review shall be limited to its reduction.

Chapter 3. Enforcement

26030. Grounds for disciplinary action include: (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 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 marijuana activity. (g) The intentional and knowing sale of marijuana or marijuana products by a licensee to a person under the legal age to purchase or possess.

26031. Each licensing authority may suspend or revoke licenses, after proper notice and hearing to the licensee, if the licensee is found to have committed any of the acts or omissions constituting grounds for disciplinary action. The disciplinary proceedings under this chapter shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the director of each licensing authority shall have all the powers granted therein.

26032. Each licensing authority may take disciplinary action against a licensee for any violation of this division when the violation was committed by the licensee's agent or employee while acting on behalf of the licensee or engaged in commercial marijuana activity. **26033.** Upon suspension or revocation of a license, the licensing authority shall inform the bureau. The bureau shall then inform all other licensing authorities.

26034. Accusations against licensees under this division shall be filed within the same time limits as specified in Section 19 314 or as otherwise provided by law,

26035. (a) The director shall designate the persons employed by the Department of Consumer Affairs for purposes of the administration and enforcement of this division. The director shall ensure that a sufficient number of employees are qualified peace officers for purposes of enforcing this division.

26036. Nothing in this division shall be interpreted to supersede or limit state agencies from

exercising their existing enforcement authority, including, but not limited to, under the Fish and Game Code, the Food and Agricultural Code, the Government Code, the Health and Safety Code, the Public Resources Code, the Water Code, or the application of those laws.

26037. (a) The actions of a licensee, its employees, and its agents that are: (1) permitted under a license issued under this division and any applicable local ordinances; and (2) conducted in accordance with the requirements of this division and regulations adopted pursuant to this division, are not unlawful under state law and shall not be an offense subject to arrest, prosecution, or other sanction under state law, or be subject to a civil fine or be a basis for seizure or forfeiture of assets under state law.

(b) The actions of a person who, in good faith, [should say “believes he or she has allowed”] allows his or her property to be used by a licensee, its employees, and its agents, as permitted pursuant to a state license and any applicable local ordinances, are not unlawful under state law and shall not be an offense subject to arrest, prosecution, or other sanction under state law, or be subject to a civil fine or be a basis for seizure or forfeiture of assets under state law.

26038. (a) A person engaging in commercial marijuana activity without a license required by this division shall be subject to civil penalties of up to three times the amount of the license fee for each violation, and the court may order the destruction of marijuana associated with that violation in accordance with Section 11479 of the Health and Safety Code. Each day of operation shall constitute a separate violation of this section. All civil penalties imposed and collected pursuant to this section by a licensing authority shall be deposited into the General Fund except as provided in subdivision (b).

(b) If an action for civil penalties is brought against a licensee pursuant to this division by the Attorney General on behalf of the people, the penalty collected shall be deposited into the General Fund. If the action is brought by a district attorney or county counsel, the penalty shall first be used to reimburse the district attorney or county counsel for the costs of bringing the action for civil penalties, with the remainder, if any, to be deposited into the General Fund. If the action is brought by a city attorney or city prosecutor, the penalty collected shall first be used to reimburse the city attorney or city prosecutor for the costs of bringing the action for civil penalties, with the remainder, if any, to be deposited into the General Fund.

(c) Notwithstanding subdivision (a), criminal penalties shall continue to apply to an unlicensed person engaging in commercial marijuana activity in violation of this division.

Chapter 4. Appeals

26040. (a) There is established in state government a Marijuana Control Appeals Panel which shall consist of three members appointed by the Governor and subject to confirmation by a majority vote of all of the members elected to the Senate. Each member, at the time of his or her initial appointment, shall be a resident of a different county from the one in which either of the other members resides. Members of the panel shall receive an annual salary as provided for by Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code.

(b) The members of the panel may be removed from office by the Governor, and the Legislature shall have the power, by a majority vote of all members elected to each house, to remove any member from office for dereliction of duty, corruption or incompetency.

(c) A concurrent resolution for the removal of any member of the panel may be introduced in the Legislature only if five Members of the Senate, or ten Members of the Assembly, join as authors.

26041. All personnel of the panel shall be appointed, employed, directed, and controlled by the panel consistent with state civil service requirements. The director shall furnish the equipment, supplies, and housing necessary for the authorized activities of the panel and shall perform such other mechanics of administration as the panel and the director may agree upon.

26042. The panel shall adopt procedures for appeals similar to the procedures used in Articles 3 and 4 in Chapter 1.5 in Division 9 of the Business and Professions Code. Such procedures shall be adopted in accordance with the Administrative Procedure Act (Government Code, Title 2, Division 3, section 11340 et seq.).

26043. (a) When any person aggrieved thereby appeals from a decision of the bureau or any licensing authority ordering any penalty assessment, issuing, denying, transferring, conditioning, suspending or revoking any license provided for under this division, the panel shall review the decision subject to such limitations as may be imposed by the Legislature. In such cases, the panel shall not receive evidence in addition to that considered by the bureau or the licensing authority.

(b) Review by the panel of a decision of the bureau or a licensing authority shall be limited to the following questions: (1) Whether the bureau or any licensing authority has proceeded without or in excess of its jurisdiction. (2) Whether the bureau or any licensing authority has proceeded in the manner required by law. (3) Whether the decision is supported by the findings. (4) Whether the findings are supported by substantial evidence in the light of the whole record.

26044. (a) In appeals where the panel finds that there is relevant evidence which, in the exercise of reasonable diligence, could not have been produced or which was improperly excluded at the hearing before the bureau or licensing authority, it may enter an order remanding the matter to the bureau or licensing authority for reconsideration in the light of such evidence.

(b) Except as provided in subdivision (a), in all appeals, the panel shall enter an order either affirming or reversing the decision of the bureau or licensing authority. When the order reverses the decision of the bureau or licensing authority, the board may direct the reconsideration of the matter in the light of its order and may direct the bureau or licensing authority to take such further action as is specially enjoined upon it by law, but the order shall not limit or control in any way the discretion vested by law in the bureau or licensing authority. **26045.** Orders of the panel shall be subject to judicial review under Section 1094. 5 of the Code of Civil Procedure upon petition by the bureau or licensing authority or any party aggrieved by such order.

Chapter 5. Licensing

26050. (a) The license classification pursuant to this division shall, at a minimum, be as follows: (1) Type I = Cultivation; Specialty outdoor; Small. (2) Type IA = Cultivation; Specialty indoor; Small. (3) Type IB = Cultivation; Specialty mixed-light; Small. (4) Type 2 = Cultivation; Outdoor; Small. (5) Type 2A = Cultivation; Indoor; Small. (6) Type 2B = Cultivation; Mixed-light; Small. (7) Type 3 = Cultivation; Outdoor; Medium. (8) Type 3A = Cultivation; Indoor; Medium. (9) Type 3B = Cultivation; Mixed-light; Medium. (10) Type 4 = Cultivation; Nursery. (11) Type 5 = Cultivation; Outdoor; Large. (12) Type 5A = Cultivation; Indoor; Large. (13) Type 5B = Cultivation; Mixed-light; Large. (14) Type 6 = Manufacturer 1. (15) Type 7 = Manufacturer 2. (16) Type 8 = Testing. (17) Type 10 = Retailer. (18) Type 11 = Distributor. (19) Type 12 = Microbusiness. (b) All licenses issued under this division shall bear a clear designation indicating that the license is for commercial marijuana activity as distinct from commercial medical cannabis activity licensed under Chapter 3.5 of Division 8. Examples of such a designation include, but are not limited to, "Type 1 -Nonmedical," or "Type INM"

(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.

(e) Notwithstanding subdivision (c), a licensing authority may issue a temporary license for a period of less than 12 months. This subdivision shall cease to be operable on January 1, 2019.

26051. (a) In determining whether to grant, deny, or renew a license authorized under this division, a licensing authority shall consider factors reasonably related to the determination, including,

but not limited to, whether it is reasonably foreseeable that issuance, denial, or renewal of the license could: (1) allow unreasonable restraints on competition by creation or maintenance of unlawful monopoly power; (2) perpetuate the presence of an illegal market for marijuana or marijuana products in the state or out of the state; (3) encourage underage use or adult abuse of marijuana or marijuana products, or illegal diversion of marijuana or marijuana products out of the state; (4) result in an excessive concentration of licensees in a given city, county, or both; (5) present an unreasonable risk of minors being exposed to marijuana or marijuana products; or (6) result in violations of any environmental protection laws.

(b) A licensing authority may deny a license or renewal of a license based upon the considerations in subdivision (a).

(c) For purposes of this section, "excessive concentration" means when the premises for a retail license, microbusiness license, or a license issued under Section 26070.5 is located in an area where either of the following conditions exist: (1) The ratio of a licensee to population in the census tract or census division in which the applicant premises are located exceeds the ratio of licensees to population in the county in which the applicant premises are located, unless denial of the application would unduly limit the development of the legal market so as to perpetuate the illegal market for marijuana or marijuana products. (2) The ratio of retail licenses, micro business licenses, or licenses under Section 26070.5 to population in the census tract, division or jurisdiction exceeds that allowable by local ordinance adopted under Section 26200.

26052. (a) No licensee shall perform any of the following acts, or permit any such acts to be performed by any employee, agent, or contractor of such licensee: (1) Make any contract in restraint of trade in violation of Section 16600; (2) Form a trust or other prohibited organization in restraint of trade in violation of Section 16720; (3) Make a sale or contract for the sale of marijuana or marijuana products, or to fix a price charged therefor, or discount from, or rebate upon, such price, on the condition, agreement or understanding that the consumer or purchaser thereof shall not use or deal in the goods, merchandise, machinery, supplies, commodities, or services of a competitor or competitors of such seller, where the effect of such sale, contract, condition, agreement or understanding may be to substantially lessen competition or tend to create a monopoly in any line of trade or commerce; (4) Sell any marijuana or marijuana products at less than cost for the purpose of injuring competitors, destroying competition, or misleading or deceiving purchasers or prospective purchasers; (5) Discriminate between different sections, communities, or cities or portions thereof, or between different locations in such sections, communities, cities or portions thereof in this state, by selling or furnishing marijuana or marijuana products at a lower price in one section, community, or city or 'any portion thereof, or in one location in such section, community, or city or any portion thereof, than in another, for the purpose of injuring competitors or destroying competition; or (6) Sell any marijuana or marijuana products at less than the cost thereof to such vendor, or to give away any article or product for the purpose of injuring competitors or destroying competition.

(b) Any person who, either as director, officer or agent of any firm or corporation, or as agent of any person, violates the provisions of this chapter, assists or aids, directly or indirectly, in such violation is responsible therefor equally with the person, firm or corporation for which such person acts.

(c) A licensing authority may enforce this section by appropriate regulation. (d) Any person or trade association may bring an action to enjoin and restrain any violation of this section for the recovery of damages.

26053. (a) The bureau and licensing authorities may issue licenses under this division to persons or entities that hold licenses under Chapter 3.5 of Division 8.

(b) Notwithstanding subdivision (a), a person or entity that holds a state testing license under this division or Chapter 3.5 of Division 8 is prohibited from licensure for any other activity, except testing, as authorized under this division. (c) Except as provided in subdivision (b), a person or entity may apply for and be issued more than one license under this division.

26054. (a) A licensee shall not also be licensed as a retailer of alcoholic beverages under Division 9 or of tobacco products. (b) No licensee under this division shall be located within a 600-foot radius of a school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center that is in existence at the time the license is issued, unless a licensing authority or a local jurisdiction specifies a different radius. The distance specified in this section shall be measured in the same manner as provided in paragraph (c) of Section 11362. 768 of the Health and Safety Code unless otherwise provided by law. (c) It shall be lawful under state and local law, and shall not be a violation of state or local law, for a business engaged in the manufacture of marijuana accessories to possess, transport, purchase or otherwise obtain small amounts of marijuana or marijuana products as necessary to conduct research and development related to such marijuana accessories, provided such marijuana and marijuana products are obtained from a person or entity licensed under this division or Chapter 3.5 of Division 8 permitted to provide or deliver such marijuana or marijuana products.

26054.1 (a) No licensing authority shall issue or renew a license to any person that cannot demonstrate continuous California residency from or before January 1, 2015. In the case of an applicant or licensee that is an entity, the entity shall not be considered a resident if any person controlling the entity cannot demonstrate continuous California residency from and before January 1, 2015. (b) Subdivision (a) shall cease to be operable on December 31, 2019 unless reenacted prior thereto by the Legislature.

26054.2 (a) A licensing authority shall give priority in issuing licenses under this division to applicants that can demonstrate to the authority's satisfaction that the applicant operated in compliance with the Compassionate Use Act and its implementing laws before September 1, 2016, or currently operates in compliance with Chapter 3.5 of Division 8. (b) The bureau shall request that local jurisdictions identify for the bureau potential applicants for licensure based on the applicants' prior operation in the local jurisdiction in compliance with state law, including the Compassionate Use Act and its implementing laws, and any 21 applicable local laws. The bureau shall make the requested information available to licensing authorities. (c) In addition to or in lieu of the information described in subdivision (b), an applicant may furnish other evidence to demonstrate operation in compliance with the Compassionate Use Act or Chapter 3.5 of Division 8. The bureau and licensing authorities may accept such evidence to demonstrate eligibility for the priority provided for in subdivision (a). (d) This section shall cease to be operable on December 31, 2019 unless otherwise provided by law.

26055. (a) Licensing authorities may issue state licenses only to qualified applicants.

(b) Revocation of a state license issued under this division shall terminate the ability of the licensee to operate within California until the licensing authority reinstates or reissues the state license.

(c) Separate licenses shall be issued for each of the premises of any licensee having more than one location, except as otherwise authorized by law or regulation.

(d) After issuance or transfer of a license, no licensee shall change or alter the premises in a manner which materially or substantially alters the premises, the usage of the premises, or the mode or character of business operation conducted from the premises, from the plan contained in the diagram on file with the application, unless and until prior written assent of the licensing authority or bureau has been obtained. For purposes of this section, material or substantial physical changes of the premises, or in the usage of the premises, shall include, but not be limited to, a substantial increase or decrease in the total area of the licensed premises previously diagrammed, or any other physical modification

resulting in substantial change in the mode or character of business operation.

(e) Licensing authorities shall not approve an application for a state license under this division if approval of the state license will violate the provisions of any local ordinance or regulation adopted in accordance with Section 26200.

26056. An applicant for any type of state license issued pursuant to this division shall comply with the same requirements as set forth in Section 19322 of Chapter 3.5 of Division 8 unless otherwise provided by law, including electronic submission of fingerprint images, and any other requirements imposed by law or a licensing authority, except as follows:

(a) notwithstanding paragraph (2) of subdivision (a) of Section 19322 of Chapter 3.5 of Division 8, an applicant need not provide documentation that the applicant has obtained a license, permit or other authorization to operate from the local jurisdiction in which the applicant seeks to operate;

(b) an application for a license under this division shall include evidence that the proposed location meets the restriction in subdivision (b) of Section 26054; and (c) for applicants seeking licensure to cultivate, distribute, or manufacture nonmedical marijuana or marijuana products, the application shall also include a detailed description of the applicant's operating procedures for all of the following, as required by the licensing authority: (1) Cultivation. (2) Extraction and infusion methods. (3) The transportation process. (4) The inventory process. (5) Quality control procedures. (6) The source or sources of water the applicant will use for the licensed activities, including a certification that the applicant may use that water legally under state law.

(d) The applicant shall provide a complete detailed diagram of the proposed premises wherein the license privileges will be exercised, with sufficient particularity to enable ready determination of the bounds of the premises, showing all boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, and common or shared entryways, and include a brief statement or description of the principal activity to be conducted therein, and, for licenses permitting cultivation, measurements of the planned canopy including aggregate square footage and individual square footage of separate cultivation areas, if any.

26056.5. The bureau shall devise protocols that each licensing authority shall implement to ensure compliance with state laws and regulations related to environmental impacts, natural resource protection, water quality, water supply, hazardous materials, and pesticide use in accordance with regulations, including but not limited to, the California Environmental Quality Act (Public Resources Code, Section 21000, et seq.), the California Endangered Species Act (Fish and Game Code, Section 2800 et. seq.), lake or streambed alteration agreements (Fish and Game Code, Section 1600 et. seq.), the Clean Water Act, the Porter-Cologne Water Quality Control Act, timber production zones, wastewater discharge requirements, and any permit or right necessary to divert water.

26057. (a) The licensing authority shall deny an application if either the applicant, or the premises for which a state license is applied, do not qualify for licensure under this division.

(b) The licensing authority may deny the application for licensure or renewal of a state license if any of the following conditions apply: (1) Failure to comply with the provisions of this division, any rule or regulation adopted pursuant to this division, or any requirement imposed to protect natural resources, including, but not limited to, protections for instream flow and water quality. (2) Conduct that constitutes grounds for denial of licensure under Chapter 2 of Division 1.5, except as otherwise specified in this section and Section 26059. (3) Failure to provide information required by the licensing authority. (4) The applicant or licensee has been convicted of an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, except that if the licensing authority determines that the applicant or licensee is otherwise suitable to be issued a license, and granting the license would not compromise public safety, the licensing authority

shall conduct a thorough review of the nature of the crime, conviction, circumstances, and evidence of rehabilitation of the applicant, and shall evaluate the suitability of the applicant or licensee to be issued a license based on the evidence found through the review. In determining which offenses are substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, the licensing authority shall include, but not be limited to, the following: (A) A violent felony conviction, as specified in subdivision (c) of Section 667.5 of the Penal Code. (B) A serious felony conviction, as specified in subdivision (c) of Section 1192.7 of the Penal Code. (C) A felony conviction involving fraud, deceit, or embezzlement. (D) A felony conviction for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor. (E) A felony conviction for drug trafficking with enhancements pursuant to Sections 11370.4 or 11379.8. (F) Except as provided in subparagraphs (D) and (E) of paragraph (4) and notwithstanding Chapter 2 of Division 1.5, a prior conviction, where the sentence, including any term of probation, incarceration, or supervised release, is completed, for possession of, possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance is not considered substantially related, and shall not be the sole ground for denial of a license. [This unusual provision was put in AUMA to benefit some particular person] Conviction for any controlled substance felony subsequent to licensure shall be grounds for revocation of a license or denial of the renewal of a license. (6) The applicant, or any of its officers, directors, or owners, has been subject to fines or penalties for cultivation or production of a controlled substance on public or private lands pursuant to Sections 12025 or 12025.1 of the Fish and Game Code. (7) The applicant, or any of its officers, directors, or owners, has been sanctioned by a licensing authority or a city, county, or city and county for unauthorized commercial marijuana activities or commercial medical cannabis activities, has had a license revoked under this division or Chapter 3.5 of Division 8 in the three years immediately preceding the date the application is filed with the licensing authority, or has been sanctioned under Sections 12025 or 12025.1 of the Fish and Game Code. (8) Failure to obtain and maintain a valid seller's permit required pursuant to Part 1 (commencing with Section 6001J of Division 2 of the Revenue and Taxation Code. (9) Any other condition specified in law. 26058. Upon the denial of any application for a license, the licensing authority shall notify the applicant in writing. 26059. An applicant shall not be denied a state license if the denial is based solely on any of the following: (a) A conviction or act that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made for which the applicant or licensee has obtained a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01J of Title 6 of Part 3 of the Penal Code. (b) A conviction that was subsequently dismissed pursuant to Sections 1203.4, 1203.4a, or 1203.41 of the Penal Code or any other provision allowing for dismissal of a conviction.

Chapter 6. Licensed Cultivation Sites

26060. (a) Regulations issued by the Department of Food and Agriculture governing the licensing of indoor, outdoor, and mixed-light cultivation sites shall apply to licensed cultivators under this division.

(b) Standards developed by the Department of Pesticide Regulation, in consultation with the Department of Food and Agriculture, for the use of pesticides in cultivation, and maximum tolerances for pesticides and other foreign object residue in harvested cannabis shall apply to licensed cultivators under this division.

(c) The Department of Food and Agriculture shall include conditions in each license requested by the Department of Fish and Wildlife and the State Water Resources Control Board to ensure that

individual and cumulative effects of water diversion and discharge associated with cultivation do not affect the instream flows needed for fish spawning, migration, and rearing, and the flows needed to maintain natural flow variability, and to otherwise protect fish, wildlife, fish and wildlife habitat, and water quality.

(d) The regulations promulgated by the Department of Food and Agriculture under this division shall, at a minimum, address in relation to commercial marijuana activity, the same matters described in subdivision (e) of Section 19332 of Chapter 3.5 of Division 8.

(e) The Department of Pesticide Regulation, in consultation with the State Water Resources Control Board, shall promulgate regulations that require that the application of pesticides or other pest control in connection with the indoor, outdoor, or mixed light cultivation of marijuana meets standards equivalent to Division 6 (commencing with Section 11401) of the Food and Agricultural Code and its implementing regulations.

26061. (a) The state cultivator license types to be issued by the Department of Food and Agriculture under this division shall include Type 1, Type IA, Type JB, Type 2, Type 2A, Type 2B, Type 3, Type 3A, Type 3B, Type 4, and Type 5, Type SA, and Type SB unless otherwise provided by law.

(b) Except as otherwise provided by law, Type 1, Type IA, Type JB, Type 2, Type 2A, Type 2B; Type 3, Type 3A, Type 3B and Type 4 licenses shall provide for the cultivation of marijuana in the same amount as the equivalent license type for cultivation of medical cannabis as specified in subdivision (g) of Section 19332 of Chapter 3.5 of Division 8.

(c) Except as otherwise provided by law: (1) Type 5, or "outdoor," means for outdoor cultivation using no artificial lighting greater than one acre, inclusive, of total canopy size on one premises. (2) Type SA, or "indoor," means for indoor cultivation using exclusively artificial lighting greater than 22,000 square feet, inclusive, of total canopy size on one premises. (3) Type SB, or "mixed-light," means for cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, greater than 22,000 square feet, inclusive, of total canopy size on one premises.

(d) No Type 5, Type 5A, or Type 5B cultivation licenses may be issued before January 1, 2023.

(e) Commencing on January 1, 2023, A Type 5, Type 5A, or Type 5B licensee may apply for and hold a Type 6 or Type 7 license and apply for and hold Type 10 license. A Type 5, Type 5A, or Type 5B licensee shall not eligible to apply for or hold a Type 8, Type 11, or Type 12 license. 25 26062. The Department of Food and Agriculture, in conjunction with the bureau, shall establish a certified organic designation and organic certification program for marijuana and marijuana products in the same manner as provided in Section 19332.5 of Chapter 3.5 of Division 8.

26063. (a) The bureau shall establish standards for recognition of a particular appellation of origin applicable to marijuana grown or cultivated in a certain geographical area in California.

(b) Marijuana shall not be marketed, labeled, or sold as grown in a California county when the marijuana was not grown in that county.

(c) The name of a California county shall not be used in the labeling, marketing, or packaging of marijuana products unless the marijuana contained in the product was grown in that county.

26064. Each licensed cultivator shall ensure that the licensed premises do not pose an unreasonable risk of fire or combustion. Each cultivator shall ensure that all lighting, wiring, electrical and mechanical devices, or other relevant property is carefully maintained to avoid unreasonable or dangerous risk to the property or others.

26065. An employee engaged in the cultivation of marijuana under this division shall be subject to Wage Order No. 4-2001 of the Industrial Welfare Commission.

26066. Indoor and outdoor marijuana cultivation by persons and entities licensed under this division shall be conducted in accordance with state and local laws related to land conversion, grading, electricity usage, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters. State agencies, including, but not limited to, the Board of Forestry and Fire Protection, the Department of Fish and Wildlife, the State Water Resources Control Board, the California regional water quality control boards, and traditional state law enforcement agencies, shall address environmental impacts of marijuana cultivation and shall coordinate when appropriate with cities and counties and their law enforcement agencies in enforcement efforts.

26067. (a) The Department of Food and Agriculture shall establish a Marijuana Cultivation Program to be administered by the secretary. The secretary shall administer this section as it pertains to the cultivation of marijuana. For purposes of this division, marijuana is an agricultural product.

(b) A person or entity shall not cultivate marijuana without first obtaining a state license issued by the department pursuant to this section. (c)(1) The department, in consultation with, but not limited to, the bureau, the State Water Resources Control Board, and the Department of Fish and Wildlife, shall implement a unique identification program for marijuana. In implementing the program, the department shall consider issues including, but not limited to, water use and environmental impacts. In implementing the program, the department shall ensure that: 26 safety standards established by the bureau shall include, but not be limited to, minimum standards governing the types of vehicles in which marijuana and marijuana products may be distributed and delivered and minimum qualifications for persons eligible to operate such vehicles.

(c) Licensed retailers and microbusinesses, and licensed nonprofits under Section 26070.5, shall implement security measures reasonably designed to prevent unauthorized entrance into areas containing marijuana or marijuana products and theft of marijuana or marijuana products from the premises. These security measures shall include, but not be limited to, all of the following: (1) Prohibiting individuals from remaining on the licensee's premises if they are not engaging in activity expressly related to the operations of the dispensary. (2) Establishing limited access areas accessible only to authorized personnel. (3) Other than limited amounts of marijuana used for display purposes, samples, or immediate sale, storing all finished marijuana and marijuana products in a secured and locked room, safe, or vault, and in a manner reasonably designed to prevent diversion, theft, and loss.

26070.5 (a) The bureau shall, by January 1, 2018, investigate the feasibility of creating one or more classifications of nonprofit licenses under this section. The feasibility determination shall be made in consultation with the relevant licensing agencies and representatives of local jurisdictions which issue temporary licenses pursuant to subdivision (b). The bureau shall consider factors including, but not limited to, the following: (1) Should nonprofit licensees be exempted from any or all state taxes, licensing fees and regulatory provisions applicable to other licenses in this division? (2) Should funding incentives be created to encourage others licensed under this division to provide professional services at reduced or no cost to nonprofit licensees? (3) Should nonprofit licenses be limited to, or prioritize those, entities previously operating on a not-for-profit basis primarily providing whole-plant marijuana and marijuana products and a diversity of marijuana strains and seed stock to low income persons? **[So why doesn't AUMA mandate that there will be a category for nonprofit licenses, since AUMA is effectively superseding the not-for-profit medical marijuana system of the CUA? Answer: because AUMA is all about making money from the 99 percent and shifting profits to the 1 percent.]**

(b) Any local jurisdiction may issue temporary local licenses to nonprofit entities primarily providing whole-plant marijuana and marijuana products and a diversity of marijuana strains and seed stock to low income persons so long as the local jurisdiction: (1) confirms the license applicant's status

as a nonprofit entity registered with the California Attorney General's Registry of Charitable Trusts and that the applicant is in good standing with all state requirements governing nonprofit entities; (2) licenses and regulates any such entity to protect public health and safety, and so as to require compliance with all environmental requirements in this division; (3) provides notice to the bureau of any such local licenses issued, including the name and location of any such licensed entity and all local regulations governing the licensed entity's operation, and; (4) certifies to the bureau that any such licensed entity will not generate annual gross revenues in excess of two million dollars (\$2, 000, 000).

(c) Temporary local licenses authorized under subdivision (b) shall expire after twelve months unless renewed by the local jurisdiction.

(d) The bureau may impose reasonable additional requirements on the local licenses authorized under subdivision (b). 28 (e) (1) No new temporary local licenses shall be issued pursuant to this section after the date the bureau determines that creation of nonprofit licenses under this division is not feasible, or if the bureau determines such licenses are feasible, after the date a licensing agency commences issuing state nonprofit licenses. (2) If the bureau determines such licenses are feasible, no temporary license issued under subdivision (b) shall be renewed or extended after the date on which a licensing agency commences issuing state nonprofit licenses. (3) If the bureau determines that creation of nonprofit licenses under this division is not feasible, the bureau shall provide notice of this determination to all local jurisdictions that have issued temporary licenses under subdivision (b). The bureau may, in its discretion, permit any such local jurisdiction to renew or extend on an annual basis any temporary license previously issued under subdivision (b).

Chapter 8. Distribution and Transport

26080. (a) This division shall not be construed to authorize or permit a licensee to transport or distribute, or cause to be transported or distributed, marijuana or marijuana products outside the state, unless authorized by federal law.

(b) A local jurisdiction shall not prevent transportation of marijuana or marijuana products on public roads by a licensee transporting marijuana or marijuana products in compliance with this division.

Chapter 9. Delivery

26090. (a) Deliveries, as defined in this division, may only be made by a licensed retailer or microbusiness, or a licensed nonprofit under Section 26070.5. **[Don't forget, there aren't any licensed nonprofits under Section 26070.5!]**

(b) A customer requesting delivery shall maintain a physical or electronic copy of the delivery request and shall make it available upon request by the licensing authority and law enforcement officers.

(c) A local jurisdiction shall not prevent delivery of marijuana or marijuana products on public roads by a licensee acting in compliance with this division and local law as adopted under Section 26200.

Chapter 10. Manufacturers and Testing Laboratories

26100. The Department of Public Health shall promulgate regulations governing the licensing of marijuana manufacturers and testing laboratories. Licenses to be issued are as follows: (a) "Manufacturing Level 1, "for sites that manufacture marijuana products using nonvolatile solvents, or no solvents. (b) "Manufacturing Level 2, "for sites that manufacture marijuana products using volatile solvents. (c) "Testing, "for testing of marijuana and marijuana products. Testing licensees shall have their facilities or devices licensed according to regulations set forth by the Department. A testing licensee shall not hold a license in another license category of this division and shall not own or have ownership interest in a non-testing facility licensed pursuant to this division. (d) For purposes of this

section, "volatile solvents" shall have the same meaning as in subdivision (d) of Section 113 62.2 of the Health and Safety Code unless otherwise provided by law or regulation.

26101. (a) Except as otherwise provided by law, no marijuana or marijuana products may be sold pursuant to a license provided for under this division unless a representative sample of such marijuana or marijuana product has been tested by a certified testing service to determine: (1) Whether the chemical profile of the sample conforms to the labeled content of compounds, including, but not limited to, all of the following: (A) Tetrahydrocannabinol (THC). (B) Tetrahydrocannabinolic Acid (THCA). (C) Cannabidiol (CED). (D) Cannabidiolic Acid (CBDA). (E) The terpenes described in the most current version of the cannabis inflorescence monograph published by the American Herbal Pharmacopoeia. (F) Cannabigerol (CBG). (G) Cannabinol (CBN). (2) That the presence of contaminants does not exceed the levels in the most current version of the American Herbal Pharmacopoeia monograph. For purposes of this paragraph, contaminants includes, but is not limited to, all of the following: (A) Residual solvent or processing chemicals, including explosive gases, such as Butane, propane, O₂ or H₂, and poisons, toxins, or carcinogens, such as Methanol, Iso-propyl Alcohol, Methylene Chloride, Acetone, Benzene, Toluene, and Tri-chloro-ethylene. (B) Foreign material, including, but not limited to, hair, insects, or similar or related adulterant. (C) Microbiological impurity, including total aerobic microbial count, total yeast mold count, *P. aeruginosa*, *aspergillus* spp., *s. aureus*, aflatoxin B₁, B₂, G₁, or G₂, or ochratoxin A. (b) Residual levels of volatile organic compounds shall satisfy standards of the cannabis inflorescence monograph set by the United States Pharmacopeia (USP. Chapter 467). (c) The testing required by paragraph (a) shall be performed in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling, using standard methods established by the International Organization for Standardization, specifically ISO/IEC 17020 and ISO/IEC 17025 to test marijuana and marijuana products that are approved by an accrediting body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement. (d) Any pre-sale inspection, testing transfer, or transportation of marijuana products pursuant to this section shall conform to a specified chain of custody protocol and any other requirements imposed under this division.

26102. A licensed testing service shall not handle, test, or analyze marijuana or marijuana products unless the licensed testing laboratory meets the requirements of Section 19343 in Chapter 3.5 of Division 8 or unless otherwise provided by law.

26103. A licensed testing service shall issue a certificate of analysis for each lot, with supporting data, to report the same information required in Section 19344 in Chapter 3.5 of Division 8 or unless otherwise provided by law.

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

(b) The Department of Public Health shall develop procedures to: (1) ensure that testing of marijuana and marijuana products occurs prior to distribution to retailers, microbusinesses, or nonprofits licensed under Section 26070.5; (2) specify how often licensees shall test marijuana and marijuana products, and that the cost of testing marijuana shall be borne by the licensed cultivators and the cost of testing marijuana products shall be borne by the licensed manufacturer, and that the costs of testing marijuana and marijuana products shall be borne a nonprofit licensed under Section 26070.5; and (3) require destruction of harvested batches whose testing samples indicate noncompliance with health and safety standards promulgated by the Department of Public Health, unless remedial measures can bring the marijuana or marijuana products into compliance with quality assurance standards as promulgated by the Department of Public Health.

26105. Manufacturing Level 2 licensees shall enact sufficient methods or procedures to capture or otherwise limit risk of explosion, combustion, or any other unreasonably dangerous risk to public safety created by volatile solvents. The Department of Public Health shall establish minimum standards concerning such methods and procedures for Level 2 licensees.

26106. Standards for the production and labeling of all marijuana products developed by the Department of Public Health shall apply to licensed manufacturers and microbusinesses, and nonprofits licensed under Section 26070.5 unless otherwise specified by the Department of Public Health.

Chapter 11. Quality Assurance, Inspection, and Testing

26110. (a) All marijuana and marijuana products shall be subject to quality assurance, inspection, and testing. (b) All marijuana and marijuana products shall undergo quality assurance, inspection, and testing in the same manner as provided in Section 19326 in Chapter 3.5 of Division 8 except as otherwise provided in this division or by law.

Chapter 12. Packaging and Labeling

26120. (a) Prior to delivery or sale at a retailer, marijuana and marijuana products shall be labeled and placed in a resealable, child resistant package.

(b) Packages and labels shall not be made to be attractive to children.

(c) All marijuana and marijuana product labels and inserts shall include the following information prominently displayed in a clear and legible fashion in accordance with the requirements, including font size, prescribed by the bureau or the Department of Public Health: not less than 8point font: (1) Manufacture date and source. (2) The following statements, in bold print: (A) For marijuana: "GOVERNMENT WARNING: THIS PACKAGE CONTAINS MARIJUANA, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. MARIJUANA MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT MARIJUANA USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF MARIJUANA IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY PLEASE USE EXTREME CAUTION" (B) For marijuana products: "GOVERNMENT WARNING: THIS PRODUCT CONTAINS MARIJUANA, A SCHEDULE I CONTROLLED SUBSTANCE. [Then why is it for sale for nonmedicinal use?!?!] KEEP OUT OF REACH OF CHILDREN AND ANIMALS. MARIJUANA PRODUCTS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT THE INTOXICATING EFFECTS OF MARIJUANA PRODUCTS MAY BE DELAYED UP TO TWO HOURS. MARIJUANA USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF MARIJUANA PRODUCTS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY PLEASE USE EXTREME CAUTION" (3) For packages containing only dried flower, the net weight of marijuana in the package. (4) Identification of the source and date of cultivation, the type of marijuana or marijuana product and the date of manufacturing and packaging. (5) The appellation of origin, if any. (6) List of pharmacologically active ingredients, including, but not limited to, tetrahydrocannabinol (THC), cannabidiol (CED), and other cannabinoid content, the THC and other cannabinoid amount in milligrams per serving, servings per package, and the THC and other cannabinoid amount in milligrams for the package total, and the potency of the marijuana or marijuana product by reference to the amount of tetrahydrocannabinol and cannabidiol in each serving. (7) For marijuana products, a list of all ingredients and disclosure of nutritional information in the same manner as the federal nutritional labeling requirements in 21 C.F.R. section 101.9. (8) A list of any solvents, nonorganic pesticides, herbicides, and fertilizers that were used in the cultivation, production, and manufacture of such marijuana or marijuana product. (9) A warning if nuts or other known

allergens are used. (I 0) Information associated with the unique identifier issued by the Department of Food and Agriculture. (11) Any other requirement set by the bureau or the Department of Public Health.

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(d) Only generic food names may be used to describe the ingredients in edible marijuana products. (e) In the event the bureau determines that marijuana is no longer a schedule I controlled substance under federal law, the label prescribed in subdivision (c) shall no longer require a statement that marijuana is a schedule I controlled substance.

Chapter 13. Marijuana Products

26130. (a) Marijuana products shall be: (1) Not designed to be appealing to children or easily confused with commercially sold candy or foods that do not contain marijuana. (2) Produced and sold with a standardized dosage of cannabinoids not to exceed ten (10) milligrams tetrahydrocannabinol per serving. (3) Delineated or scored into standardized serving sizes if the marijuana product contains more than one serving and is an edible marijuana product in solid form. (4) Homogenized to ensure uniform disbursement of cannabinoids throughout the product. (5) Manufactured and sold under sanitation standards established by the Department of Public Health, in consultation with the bureau, for preparation, storage, handling and sale of food products. (6) Provided to customers with sufficient information to enable the informed consumption of such product, including the potential effects of the marijuana product and directions as to how to consume the marijuana product, as necessary.

(b) Marijuana, including concentrated cannabis, included in a marijuana product manufactured in compliance with law is not considered an adulterant under state law.

Chapter 14. Protection of Minors

26140. (a) No licensee shall: (1) Sell marijuana or marijuana products to persons under 21 years of age. (2) Allow any person under 21 years of age on its premises. (3) Employ or retain persons under 21 years of age. (4) Sell or transfer marijuana or marijuana products unless the person to whom the marijuana or marijuana 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 marijuana to minors. Notwithstanding any provision of law, any person under 21 years of age who purchases or attempts to purchase any marijuana while under the direction of a peace officer is immune from prosecution for that purchase or attempt to purchase marijuana. [This is so the Bureau can try to entrap retailers into selling marijuana to people under 21.] 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). 33 (c) Notwithstanding subdivision (a), a licensee that is also a dispensary licensed under Chapter 3.5 of Division 8 may: (1) Allow on the premises any person 18 years of age or older who possesses a valid identification card under Section 113 62. 71 of the Health and Safety Code and a valid government-issued identification card; (2) Sell marijuana, marijuana products, and marijuana accessories to a person 18 years of age or older who possesses a valid identification card under Section 11362.71 of the Health and Safety Code and a valid government-issued identification card.

Chapter 15. Advertising and Marketing Restrictions

26150. For purposes of this chapter: (a) "Advertise" means the publication or dissemination of

an advertisement.

(b) "Advertisement" includes any written or verbal statement, illustration, or depiction which is calculated to induce sales of marijuana or marijuana products, including any written, printed, graphic, or other material, billboard, sign, or other outdoor display, public transit card, other periodical literature, publication, or in a radio or television broadcast, or in any other media; except that such term shall not include: (1) Any label affixed to any marijuana or marijuana products, or any individual covering, carton, or other wrapper of such container that constitutes a part of the labeling under provisions of this division. (2) Any editorial or other reading material (e.g., news release) in any periodical or publication or newspaper for the publication of which no money or valuable consideration is paid or promised, directly or indirectly, by any licensee, and which is not written by or at the direction of the licensee.

(c) "Advertising sign" is any sign, poster, display, billboard, or any other stationary or permanently-affixed advertisement promoting the sale of marijuana or marijuana products which are not cultivated, manufactured, distributed, or sold on the same lot.

(d) "Health-related statement" means any statement related to health, and includes statements of a curative or therapeutic nature that, expressly or by implication, suggest a relationship between the consumption of marijuana or marijuana products and health benefits, or effects on health.

(e) "Market" or "Marketing" means any act or process of promoting or selling marijuana or marijuana products, including but not limited to, sponsorship of sporting events, point of sale advertising, development of products specifically designed to appeal to certain demographics, etc.

26151. (a) All advertisements and marketing shall accurately and legibly identify the licensee responsible for its content.

(b) Any advertising or marketing placed in broadcast, cable, radio, print and digital communications shall only be displayed where at least 71.6 percent of the audience is reasonably expected to be 21 years of age or older, as determined by reliable, up-to-date audience composition data.

(c) Any advertising or marketing involving direct, individualized communication or dialogue controlled by the licensee shall utilize a method of age affirmation to verify that the recipient is 21 years of age or older prior to engaging in such communication or dialogue controlled by the licensee. For purposes of this section, such method of age affirmation may include user confirmation, birth date disclosure, or other similar registration method.

(d) All advertising shall be truthful and appropriately substantiated.

26152. No licensee shall: (a) Advertise or market in a manner that is false or untrue in any material particular, or that, irrespective of falsity, directly, or by ambiguity, omission, or inference, or by the addition of irrelevant, scientific or technical matter tends to create a misleading impression;

(b) Publish or disseminate advertising or marketing containing any statement concerning a brand or product that is inconsistent with any statement on the labeling thereof;

(c) Publish or disseminate advertising or marketing containing any statement, design, device, or representation which tends to create the impression that the marijuana originated in a particular place or region, unless the label of the advertised product bears an appellation of origin, and such appellation of origin appears in the advertisement;

(d) Advertise or market on a billboard or similar advertising device located on an Interstate Highway or State Highway which crosses the border of any other state;

(e) Advertise or market marijuana or marijuana products in a manner intended to encourage persons under the age of 21 years to consume marijuana or marijuana products;

(f) Publish or disseminate advertising or marketing containing symbols, language, music,

gestures, cartoon characters or other content elements known to appeal primarily to persons below the legal age of consumption; or

(g) Advertise or market marijuana or marijuana products on an advertising sign within 1,000 feet of a day care center, school providing instruction in kindergarten or any grades 1 through 12, playground, or youth center.

26153. No licensee shall give away any amount of marijuana or marijuana products, or any marijuana accessories, as part of a business promotion or other commercial activity.

26154. No licensee shall publish or disseminate advertising or marketing containing any health-related statement that is untrue in any particular manner or tends to create a misleading impression as to the effects on health of marijuana consumption.

26155. (a) The provisions of subsection (g) of section 26152 shall not apply to the placement of advertising signs inside a licensed premises and which are not visible by normal unaided vision from a public place, provided that such advertising signs do not advertise marijuana or marijuana products in a manner intended to encourage persons under the age of 21 years to consume marijuana or marijuana products.

(b) This chapter does not apply to any noncommercial speech.

Chapter 16. Records

26160. (a) A licensee shall keep accurate records of commercial marijuana activity.

(b) All records related to commercial marijuana activity as defined by the licensing authorities shall be maintained for a minimum of seven years.

(c) The bureau may examine the books and records of a licensee and inspect the premises of a licensee as the licensing authority, or a state or local agency, deems necessary to perform its duties under this division. All inspections shall be conducted during standard business hours of the licensed facility or at any other reasonable time.

(d) Licensees shall keep records identified by the licensing authorities on the premises of the location licensed. The licensing authorities may make any examination of the records of any licensee. Licensees shall also provide and deliver copies of documents to the licensing agency upon request.

(e) A licensee, or its agent or employee, that refuses, impedes, obstructs, or interferes with an inspection of the premises or records of the licensee pursuant to this section, has engaged in a violation of this division.

(f) If a licensee, or an agent or employee of a licensee, fails to maintain or provide the records required pursuant to this section, the licensee shall be subject to a citation and fine of up to thirty thousand dollars (\$30,000) per individual violation.

26161. (a) Every sale or transport of marijuana or marijuana products from one licensee to another licensee must be recorded on a sales invoice or receipt. Sales invoices and receipts may be maintained electronically and must be filed in such manner as to be readily accessible for examination by employees of the bureau or Board of Equalization and shall not be commingled with invoices covering other commodities.

(b) Each sales invoice required by subdivision (a) shall include the name and address of the seller and shall include the following information: (1) Name and address of the purchaser. (2) Date of sale and invoice number. (3) Kind, quantity, size, and capacity of packages of marijuana or marijuana products sold. (4) The cost to the purchaser, together with any discount applied to the price as shown on the invoice. (5) The place from which transport of the marijuana or marijuana product was made unless transport was made from the premises of the licensee. (6) Any other information specified by the bureau or the licensing authority.

Chapter 17. Track and Trace System

26170. (a) The Department of Food and Agriculture, in consultation with the bureau and the State Board of Equalization, shall expand the track and trace program provided for under Article 7.5 **[This refers to Article 7.5 of the new and unconstitutional MMRSA system for medical marijuana]** to include the reporting of the movement of marijuana and marijuana products throughout the distribution chain and provide, at a minimum, the same level of information for marijuana and marijuana products as required to be reported for medical cannabis and medical cannabis products, and in addition, the amount of the cultivation tax due pursuant to Part 14.5 of the Revenue and Taxation Code. The expanded track and trace program shall include an electronic seed to sale software tracking system with data points for the different stages of commercial activity including, but not limited to, cultivation, harvest, processing, distribution, inventory, and sale. **[Do all seeds germinate?]**

(b) The Department, in consultation with the bureau, shall ensure that licensees under this division are allowed to use third-party applications, programs and information technology systems to comply with the requirements of the expanded track and trace program described in subdivision (a) to report the movement of marijuana and marijuana products throughout the distribution chain and communicate such information to licensing agencies as required by law. **[Here's the "backdoor" that the cartels have built into AUMA. Just as programs to count votes can be manipulated, electronic systems to "track and trace marijuana can be manipulated, too.]**

(c) Any software, database or other information technology system utilized by the Department to implement the expanded track and trace program shall support interoperability with third-party cannabis business software applications and allow all licensee-facing system activities to be performed through a secure application programming interface (API) or comparable technology which is well documented, bi-directional, and accessible to any third-party application that has been validated and has appropriate credentials. The API or comparable technology shall have version control and provide adequate notice of updates to third-party applications. The system should provide a test environment for third-party applications to access that mirrors the production environment.

Chapter 18. License Fees

26180. Each licensing authority shall establish a scale of application, licensing, and renewal fees, based upon the cost of enforcing this division, as follows: (a) Each licensing authority shall charge each licensee a licensure and renewal fee, as applicable. The licensure and renewal fee shall be calculated to cover the costs of administering this division. The licensure fee may vary depending upon the varying costs associated with administering the various regulatory requirements of this division as they relate to the nature and scope of the different licensure activities, including, but not limited to, the track and trace program required pursuant to Section 26170, but shall not exceed the reasonable regulatory costs to the licensing authority.

(b) The total fees assessed pursuant to this division shall be set at an amount that will fairly and proportionately generate sufficient total revenue to fully cover the total costs of administering this division.

(c) All license fees shall be set on a scaled basis by the licensing authority, dependent on the size of the business.

(d) The licensing authority shall deposit all fees collected in a fee account specific to that licensing authority, to be established in the Marijuana Control Fund. Moneys in the licensing authority fee accounts shall be used, upon appropriation by the Legislature, by the designated licensing authority for the administration of this division.

26201. Any standards, requirements, and regulations regarding health and safety, environmental protection, testing, security, food safety, and worker protections established by the state shall be the minimum standards for all licensees under this division statewide. A local jurisdiction may establish additional standards, requirements, and regulations.

26202. (a) A local jurisdiction may enforce this division and the regulations promulgated by the bureau or any licensing authority if delegated the power to do so by the bureau or a licensing authority.

(b) The bureau or any licensing authority shall implement the delegation of enforcement authority in subdivision (a) through a memorandum of understanding between the bureau or licensing authority and the local jurisdiction to which enforcement authority is to be delegated.

Chapter 21. Funding

26210. (a) The Medical Marijuana Regulation and Safety Act Fund established in Section 19351 of Chapter 3. 5 of Division 8 is hereby renamed the Marijuana Control Fund. (b) Upon the effective date of this section, whenever "Medical Marijuana Regulation and Safety Act Fund" appears in any statute, regulation, or contract, or in any other code, it shall be construed to refer to the Marijuana Control Fund.

26211. (a) Funds for the initial establishment and support of the regulatory activities under this division, including the public information program described in subdivision (c), and for the activities of the Board of Equalization under Part 14.5 of Division 2 of the Revenue and Taxation Code until July 1, 2017, or until the 2017 Budget Act is enacted, whichever occurs later, shall be advanced from the General Fund and shall be repaid by the initial proceeds from fees collected pursuant to this division, any rule or regulation adopted pursuant to this division, or revenues collected from the tax imposed by Sections 34011 and 34012 of the Revenue and Taxation Code, by January 1, 2025.

(1) Funds advanced pursuant to this subdivision shall be appropriated to the bureau, which shall distribute the moneys to the appropriate licensing authorities, as necessary to implement the provisions of this division, and to the Board of Equalization, as necessary, to implement the provisions of Part 14.5 of Division 2 of the Revenue and Taxation Code.

(2) Within 45 days of this section becoming operative: (A) The Director of Finance shall determine an amount of the initial advance from the General Fund to the Marijuana Control Fund that does not exceed thirty million dollars (\$30,000,000); and (B) There shall be advanced a sum of five million dollars (\$5,000,000) from the General Fund to the Department of Health Care Services to provide for the public information program described in subdivision (c).

(b) Notwithstanding subdivision (a), the Legislature shall provide sufficient funds to the Marijuana Control Fund to support the activities of the bureau, state licensing authorities under this division, and the Board of Equalization to support its activities under Part 14.5 of Division 2 of the Revenue and Taxation Code. It is anticipated that this funding will be provided annually beginning on July 1, 2017.

(c) The Department of Health Care Services shall establish and implement a public information program no later than September 1, 2017. This public information program shall, at a minimum, describe the provisions of the Control, Regulate, and Tax Adult Use of Marijuana Act of 2016, the scientific basis for restricting access of marijuana and marijuana products to persons under the age of 21 years, describe the penalties for providing access to marijuana and marijuana products to persons under the age of 21 years, provide information regarding the dangers of driving a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation while impaired from marijuana use, the potential harms of using marijuana while pregnant or breastfeeding, [The "potential harms" of using marijuana while pregnant or breastfeeding?!? Does that mean that they don't have any actual scientific evidence of real harms? I remember a study done in Jamaica that showed women who used marijuana during pregnancy and afterwards had healthier babies!] and the potential harms of overusing marijuana or marijuana products.

Section 147.6 of the Labor Code is hereby added as follows:

147.6. (a) By March 1, 2018, the Division of Occupational Safety and Health shall convene an

advisory committee to evaluate whether there is a need to develop industry-specific regulations related to the activities of licensees under Division 10 of the Business and Professions Code, including but not limited to, whether specific requirements are needed to address exposure to second-hand marijuana smoke by employees at facilities where on-site consumption of marijuana is permitted under subdivision (d) of Section 26200 of the Business and Professions Code, and whether specific requirements are needed to address the potential risks of combustion, inhalation, armed robberies or repetitive strain injuries.

(b) By October 1, 2018, the advisory committee shall present to the board its findings and recommendations for consideration by the board. By October 1, 2018, the board shall render a decision regarding the adoption of industry-specific regulations pursuant to this section.

Section 13276 of the Water Code is amended to read:

13276. (a) The multiagency task force, the Department of Fish and Wildlife and State Water Resources Control Board pilot project to address the Environmental Impacts of Cannabis Cultivation, assigned to respond to the damages caused by marijuana cultivation on public and private lands in California, shall continue its enforcement efforts on a permanent basis and expand them to a statewide level to ensure the reduction of adverse impacts of marijuana cultivation on water quality and on fish and wildlife throughout the state. **[And to help the cartels stamp out competition, using our tax money]**

(b) Each regional board shall, and the State Water Resources Control Board may, address discharges of waste resulting from medical marijuana cultivation and commercial marijuana cultivation under Division 10 of the Business and Profession Code and associated activities, including by adopting a general permit, establishing waste discharge requirements, or taking action pursuant to Section 13269. In addressing these discharges, each regional board shall include conditions to address items that include, but are not limited to, all of the following: (1) Site development and maintenance, erosion control, and drainage features. (2) Stream crossing installation and maintenance. (3) Riparian and wetland protection and management. (4) Soil disposal. (5) Water storage and use. (6) Irrigation runoff. (7) Fertilizers and soil. (8) Pesticides and herbicides. (9) Petroleum products and other chemicals. (10) Cultivation-related waste. (11) Refuse and human waste. (12) Cleanup, restoration, and mitigation.

SECTION 7. MARIJUANA TAX.

Part 14.5 (commencing with Section 34010) is added to Division 2 of the Revenue and Taxation Code, to read:

Part 14.5. Marijuana Tax

34010. For purposes of this part: (a) "Board" shall mean the Board of Equalization or its successor agency. (b) "Bureau" shall mean the Bureau of Marijuana Control within the Department of Consumer Affairs. (c) "Tax Fund" means the California Marijuana Tax Fund created by Section 34018. (d) "Marijuana" shall have the same meaning as set forth in Section 11018 of the Health and Safety Code and shall also mean medical cannabis. (e) "Marijuana products" shall have the same meaning as set forth in Section 11018.1 of the Health and Safety Code and shall also mean medical concentrates and medical cannabis products. **[So for purposes of taxes, marijuana is marijuana, whether it is for medial use or not.]** (f) "Marijuana flowers" shall mean the dried flowers of the marijuana plant as defined by the Board. (g) "Marijuana leaves" shall mean all parts of the marijuana plant other than marijuana flowers that are sold or consumed. **[So stems are treated like leaves.]** (h) "Gross receipts" shall have the same meaning as set forth in Section 6012. (i) "Retail sale" shall have the same meaning as set forth in Section 6007. (j) "Person" shall have the same meaning as set for in section 6005. (k) "Microbusiness" shall have the same meaning as set for in Section 26070(a)(3) of the Business and Professions Code. (l) "Nonprofit" shall have the same meaning as set for in Section 26070.5 of the

Business and Professions Code.

34011. (a) Effective January 1, 2018, a marijuana excise tax shall be imposed upon purchasers of marijuana or marijuana products sold in this state at the rate of fifteen percent (15%) of the gross receipts of any retail sale by a dispensary or other person required to be licensed pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code or a retailer, microbusiness, nonprofit, or other person required to be licensed pursuant to Division 10 of the Business and Professions Code to sell marijuana and marijuana products directly to a purchaser. **[So marijuana sold for medical use is taxed with the same excise tax as is “adult“ use. An excise tax is a per-unit levy on the manufacture, sale, or use of a specific service or commodity. Examples include California’s excise taxes on alcoholic beverages and cigarettes. So AUMA taxes medical marijuana as though it is tobacco or alcohol. Nice touch, isn’t it?.]**

(b) Except as otherwise provided by regulation, the tax levied under this section shall apply to the full price, if non-itemized, of any transaction involving both marijuana or marijuana products and any other otherwise distinct and identifiable goods or services, and the price of any goods or services, if a reduction in the price of marijuana or marijuana products is contingent on purchase of those goods or services. **[So unless you want to pay a 15 percent excise tax on it, don’t buy anything you don’t really need at a marijuana store]**

(c) A dispensary or other person required to be licensed pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code or a retailer, microbusiness, nonprofit, or other person required to be licensed pursuant to Division 10 of the Business and Professions Code shall be responsible for collecting this tax and remitting it to the board in accordance with rules and procedures established under law and any regulations adopted by the board.

(d) The excise tax imposed by this section shall be in addition to the sales and use tax imposed by the state and local governments. **[So local governments and the state can also add sales and use taxes to marijuana. And this system is supposed to discourage the black market?]**

(e) Gross receipts from the sale of marijuana or marijuana products for purposes of assessing the sales and use tax under Part 1 of this division shall include the tax levied pursuant to this section. **[So businesses get taxed on the tax, too.]**

(f) No marijuana or marijuana products may be sold to a purchaser unless the excise tax required by law has been paid by the purchaser at the time of sale.

(g) The sales and use tax imposed by Part 1 of this division shall not apply to retail sales of medical cannabis, medical cannabis concentrate, edible medical cannabis products or topical cannabis as those terms are defined in Chapter 3.5 of Division 8 of the Business and Professions Code when a qualified patient (or primary caregiver for a qualified patient) provides his or her card issued under Section 11362. 71 of the Health and Safety Code and a valid government-issued identification card. **[But to get that card, you need to have a medical examination and pay \$100 for a card, and also be prepared to have your medical privacy violated. So how do the savings on taxes compare to the costs of being a patient?]**

34012. (a) Effective January 1, 2018, there is hereby imposed a cultivation tax on all harvested marijuana that enters the commercial market upon all persons required to be licensed to cultivate marijuana pursuant to Chapter 3. 5 of Division 8 of the Business and Professions Code or Division 10 of the Business and Professions Code. The tax shall be due after the marijuana is harvested. (1) The tax for marijuana flowers shall be nine dollars and twenty five cents (\$9.25) per dry-weight ounce. (2) The tax for marijuana leaves shall be set at two dollars and seventy jive cents (\$2. 75) per dry-weight ounce.

(b) The board may adjust the tax rate for marijuana leaves annually to reflect fluctuations in the

relative price of marijuana flowers to marijuana leaves.

(c) The board may from time to time establish other categories of harvested marijuana, categories for unprocessed or frozen marijuana or immature plants, or marijuana that is shipped directly to manufacturers. These categories shall be taxed at their relative value compared with marijuana flowers.

(d) The board may prescribe by regulation a method and manner for payment of the cultivation tax that utilizes tax stamps or state-issued product bags that indicate that all required tax has been paid on the product to which the tax stamp is affixed or in which the marijuana is packaged. **[In other words, The Marijuana Stamp Tax of 1937 is back if AUMA passes!]**

(e) The tax stamps and product bags shall be of the designs, specifications and denominations as may be prescribed by the board and may be purchased by any licensee under Chapter 3.5 of Division 8 of the Business and Professions Code or under Division 10 of the Business and Professions Code.

(f) Subsequent to the establishment of a tax stamp program, the board may by regulation provide that no marijuana may be removed from a licensed cultivation facility or transported on a public highway unless in a state-issued product bag bearing a tax stamp in the proper denomination.

(g) The tax stamps and product bags shall be capable of being read by a scanning or similar device and must be traceable utilizing the track and trace system pursuant to Section 26170 of the Business and Professions Code.

(h) Persons required to be licensed to cultivate marijuana pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code or Division 10 of the Business and Professions Code shall be responsible for payment of the tax pursuant to regulations adopted by the board. No marijuana may be sold unless the tax has been paid as provided in this part.

(i) All marijuana removed from a cultivator's premises, except for plant waste, shall be presumed to be sold and thereby taxable under this section.

(j) The tax imposed by this section shall be imposed on all marijuana cultivated in the state pursuant to rules and regulations promulgated by the board, but shall not apply to marijuana cultivated for personal use under Section 11362.1 of the Health and Safety Code or cultivated by a qualified patient or primary caregiver in accordance with the Compassionate Use Act. **[Unless, of course, the Legislature decides to change these provisions, which AUMA gives it the right to do.]**

(k) Beginning January 1, 2020, the rates set forth in subdivisions (a), (b), and (c) shall be adjusted by the board annually thereafter for inflation. **[So why can't the rates be adjusted annually for deflation? For an economic collapse? Because once a system like this is in place, it will always make things more, not less, expensive.]**

34013. (a) The board shall administer and collect the taxes imposed by this part pursuant to the Fee Collection Procedures Law (Part 30 (commencing with Section 55001) of Division 2 of the Revenue and Taxation Code). For purposes of this part, the references in the Fee Collection Procedures Law to "fee" shall include the tax imposed by this part, and references to "feepayer" shall include a person required to pay or collect the tax imposed by this part.

(b) The board may prescribe, adopt, and enforce regulations relating to the administration and enforcement of this part, including, but not limited to, collections, reporting, refunds, and appeals.

(c) The board shall adopt necessary rules and regulations to administer the taxes in this part. Such rules and regulations may include methods or procedures to tag marijuana or marijuana products, or the packages thereof, to designate prior tax payment.

(d) The board may prescribe, adopt, and enforce any emergency regulations as necessary to implement, administer and enforce its duties under this division. Any emergency regulation prescribed, adopted, or enforced pursuant to this section shall be adopted in accordance with Chapter 3.5

(commencing with section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and, for purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of the regulation is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding any other provision of law, the emergency regulations adopted by the board may remain in effect for two years upon adoption.

(e) Any person who fails to pay the taxes imposed under this part shall, in addition to owing the taxes not paid, be subject to a penalty of at least one-half the amount of the taxes not paid, and shall be subject to having its license revoked pursuant to Section 26031 of the Business and Professions Code or pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code.

(f) The board may bring such legal actions as are necessary to collect any deficiency in the tax required to be paid, and, upon the board's request, the Attorney General shall bring the actions.

34014. (a) All persons required to be licensed involved in the cultivation and retail sale of marijuana or marijuana products must obtain a separate permit from the board pursuant to regulations adopted by the board. No fee shall be charged to any person for issuance of the permit. Any person required to obtain a permit who engages in business as a cultivator, dispensary, retailer, microbusiness or nonprofit pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code or Division 10 of the Business and Professions Code without a permit or after a permit has been canceled, suspended, or revoked, and each officer of any corporation which so engages in business, is guilty of a misdemeanor.

(b) The board may require every licensed dispensary, cultivator, micro business, nonprofit, or other person required to be licensed, to provide security to cover the liability for taxes imposed by state law on marijuana produced or received by the cultivator, microbusiness, nonprofit, or other person required to be licensed in accordance with procedures to be established by the board. Notwithstanding anything herein to the contrary, the board may waive any security requirement it imposes for good cause, as determined by the board. "Good cause" includes, but is not limited to, the inability of a cultivator, microbusiness, nonprofit, or other person required to be licensed to obtain security due to a lack of service providers or the policies of service providers that prohibit service to a marijuana business. A person may not commence or continue any business or operation relating to marijuana cultivation until any surety required by the board with respect to the business or operation have been properly prepared, executed and submitted under this part. (c) In fixing the amount of any security required by the board, the board shall give consideration to the financial hardship that may be imposed on licensees as a result of any shortage of available surety providers.

34015. (a) The marijuana excise tax and cultivation tax imposed by this part is due and payable to the board quarterly on or before the last day of the month following each quarterly period of three months. On or before the last day of the month following each quarterly period, a return for the preceding quarterly period shall be filed with the board by each person required to be licensed for cultivation or retail sale under Divisions 8 or 10 of the Business and Professions Code using electronic media. Returns shall be authenticated in a form or pursuant to methods as may be prescribed by the board. If the cultivation tax is paid by stamp pursuant to section 34012(d) the board may by regulation determine when and how the tax shall be paid.

(b) The board may require every person engaged in the cultivation, distribution or retail sale of marijuana and marijuana products required to be licensed pursuant to Chapter 3.5 of Division 8 of the Business or Professions Code or Division 10 of the Business and Professions Code to file, on or before the 25th day of each month, a report using electronic media respecting the person's inventory, purchases, and sales during the preceding month and any other information as the board may require to

carry out the purposes of this part. Reports shall be authenticated in a form or pursuant to methods as may be prescribed by the board.

34016. (a) Any peace officer, or board employee granted limited peace officer status pursuant to paragraph (6) of subdivision (a) of Section 830.11 of the Penal Code, upon presenting appropriate credentials, is authorized to enter any place as described in paragraph (3) and to conduct inspections in accordance with the following paragraphs, inclusive. (1) Inspections shall be performed in a reasonable manner and at times that are reasonable under the circumstances, taking into consideration the normal business hours of the place to be entered. (2) Inspections may be at any place at which marijuana or marijuana products are sold to purchasers, cultivated, or stored, or at any site where evidence of activities involving evasion of tax may be discovered. (3) Inspections shall be requested or conducted no more than once in a 24-hour period.

(b) Any person who fails or refuses to allow an inspection shall be subject to a misdemeanor. Each offense shall be punished by a fine not to exceed five thousand dollars (\$5,000), or imprisonment not exceeding one year in a county jail, or both the fine and imprisonment. The court shall order any fines assessed be deposited in the California Marijuana Tax Fund. **[These sections allow businesses to be selectively harassed by daily inspections conducted without notice, and which can take place for as long as the officer decides to make them last. Refuse, and you are guilty of a misdemeanor.]**

(c) Upon discovery by the board or a law enforcement agency that a licensee or any other person possesses, stores, owns, or has made a retail sale of marijuana or marijuana products, without evidence of tax payment or not contained in secure packaging, the board or the law enforcement agency shall be authorized to seize the marijuana or marijuana products. Any marijuana or marijuana products seized by a law enforcement agency or the board shall within seven days be deemed forfeited and the board shall comply with the procedures set forth in Sections 30436 through 30449, inclusive.

(d) Any person who renders a false or fraudulent report is guilty of a misdemeanor and subject to a fine not to exceed one thousand dollars (\$1,000) for each offense.

(e) Any violation of any provisions of this part, except as otherwise provided, is a misdemeanor and is punishable as such. **[More misdemeanors.]**

(f) All moneys remitted to the board under this part shall be credited to the California Marijuana Tax Fund.

34017. The Legislative Analyst's Office shall submit a report to the Legislature by January 1, 2020, with recommendations to the Legislature for adjustments to the tax rate to achieve the goals of undercutting illicit market prices and discouraging use by persons younger than 21 years of age while ensuring sufficient revenues are generated for the programs identified in Section 34019.

34018. (a) The California Marijuana Tax Fund is hereby created in the State Treasury. The Tax Fund shall consist of all taxes, interest, penalties, and other amounts collected and paid to the board pursuant to this part, less payment of refunds.

(b) Notwithstanding any other law, the California Marijuana Tax Fund is a special trust fund established solely to carry out the purposes of the Control, Regulate and Tax Adult Use of Marijuana Act and all revenues deposited into the Tax Fund, together with interest or dividends earned by the fund, are hereby continuously appropriated for the purposes of the Control, 45 Regulate and Tax Adult Use of Marijuana Act without regard to fiscal year and shall be expended only in accordance with the provisions of this part and its purposes.

(c) Notwithstanding any other law, the taxes imposed by this part and the revenue derived therefrom, including investment interest, shall not be considered to be part of the General Fund, as that term is used in Chapter 1 (commencing with section 163 00) of Part 2 of Division 4 of the Government

Code, shall not be considered General Fund revenue for purposes of Section 8 of Article XVI of the California Constitution and its implementing statutes, and shall not be considered "moneys" for purposes of subdivisions (a) and (b) of Section 8 of Article XVI of the California Constitution and its implementing statutes. **[What this means is that none of the revenue from marijuana is going to go to the public schools or to community colleges. It will all go to the new bureaucracy AUMA creates, including salaries, pensions, staff, etc., and to law enforcement.]**

34019. (a) Beginning with fiscal year 2017-2018 the Department of Finance shall estimate revenues to be received pursuant to sections 34011 and 34012 and provide those estimates to the Controller no later than June 15 of each year. The Controller shall use these estimates when disbursing funds pursuant to this section. Before any funds are disbursed pursuant to subdivisions (b), (c), (d), and (e) of this section the Controller shall disburse from the Tax Fund to the appropriate account, without regard to fiscal year, the following: (1) Reasonable costs incurred by the board for administering and collecting the taxes imposed by this part; provided, however; such costs shall not exceed four percent (4%) of tax revenues received. (2) Reasonable costs incurred by the Bureau, the Department of Consumer Affairs, the Department of Food and Agriculture, and the Department of Public Health for implementing, administering, and enforcing Chapter 3.5 of Division 8 of the Business and Professions Code and Division 10 of the Business and Professions Code to the extent those costs are not reimbursed pursuant to Section 26180 of the Business and Professions Code or pursuant to Chapter 3.5 of Division 8 of the Business and Professions Code. This paragraph shall remain operative through fiscal year 2022-2023. (3) Reasonable costs incurred by the Department of Fish and Wildlife, the State Water Resources Control Board, and the Department of Pesticide Regulation for carrying out their respective duties under Chapter 3.5 of Division 8 of the Business and Professions Code or Division 10 of the Business and Professions Code to the extent those costs are not otherwise reimbursed. (4) Reasonable costs incurred by the Controller for performing duties imposed by the Control, Regulate and Tax Adult Use of Marijuana Act, including the audit required by Section 34020. (5) Reasonable costs incurred by the State Auditor for conducting the performance audit pursuant to Section 26191 of the Business and Professions Code. (6) Reasonable costs incurred by the Legislative Analyst's Office for performing duties imposed by Section 34017. (7) Sufficient funds to reimburse the Division of Labor Standards Enforcement and Occupational Safety and Health within the Department of Industrial Relations and the Employment Development Department for the costs of applying and enforcing state labor laws to licensees under Chapter 3.5 of Division 8 of the Business and Professions Code and Division 10 of the Business and Professions Code.

(b) The Controller shall next disburse the sum of ten million dollars (\$10, 000, 000) to a public university or universities in California annually beginning with fiscal year 2018-2019 until fiscal year 2028-2029 to research and evaluate the implementation and effect of the Control, Regulate and Tax Adult Use of Marijuana Act, and shall, if appropriate, make recommendations to the Legislature and Governor regarding possible amendments to the Control, Regulate and Tax Adult Use of Marijuana Act. **[As noted earlier, AUMA allows the Legislature to change its provisions! So what you see when you vote is not what you end up with. This is unheard of in most California initiatives. It will allow the Legislature to raise the tax rate, and to entirely gut marijuana as marijuana, and to force people to use marijuana as a mere recreational drug. This is a disaster waiting to happen for people for whom prescription drugs have been poisonous.]** The recipients of these funds shall publish reports on their findings at a minimum of every two years and shall make the reports available to the public. The Bureau shall select the universities to be funded. The research funded pursuant to this subdivision shall include but not necessarily be limited to: (1) Impacts on public health, including health costs associated with marijuana use, as well as whether marijuana use is associated with an

increase or decrease in use of alcohol or other drugs. (2) The impact of treatment for maladaptive marijuana use and the effectiveness of different treatment programs. (3) Public safety issues related to marijuana use, including studying the effectiveness of the packaging and labeling requirements and advertising and marketing restrictions contained in the Act at preventing underage access to and use of marijuana and marijuana products, and studying the health-related effects among users of varying potency levels of marijuana and marijuana products. (4) Marijuana use rates, maladaptive use rates for adults and youth, and diagnosis rates of marijuana-related substance use disorders. (5) Marijuana market prices, illicit market prices, tax structures and rates, including an evaluation of how to best tax marijuana based on potency, and the structure and function of licensed marijuana businesses. **[Now they are going to tax marijuana on its “potency,” too? Greedy, greedy, greedy!]** (6) Whether additional protections are needed to prevent unlawful monopolies or anti-competitive behavior from occurring in the nonmedical marijuana industry and, if so, recommendations as to the most effective measures for preventing such behavior. (7) The economic impacts in the private and public sectors, including but not necessarily limited to, job creation, workplace safety, revenues, taxes generated for state and local budgets, and criminal justice impacts, including, but not necessarily limited to, impacts on law enforcement and public resources, short and long term consequences of involvement in the criminal justice system, and state and local government agency administrative costs and revenue. (8) Whether the regulatory agencies tasked with implementing and enforcing the Control, Regulate and Tax Adult Use of Marijuana Act are doing so consistent with the purposes of the Act, and whether different agencies might do so more effectively. **[Maybe the State Police might be more effective at collecting taxes and destroying substandard marijuana . . .]** (9) Environmental issues related to marijuana production and the criminal prohibition of marijuana production. (10) The geographic location, structure, and function of licensed marijuana businesses, and demographic data, including race, ethnicity, and gender, of license holders. (11) The outcomes achieved by the changes in criminal penalties made under the Control, Regulate, and Tax Adult Use of Marijuana Act for marijuana-related offenses, and the outcomes of the juvenile justice system, in particular, probation-based treatments and the frequency of up-charging illegal possession of marijuana or marijuana products to a more serious offense.

(c) The Controller shall next disburse the sum of three million dollars (\$3, 000, 000) annually to the Department of the California Highway Patrol beginning fiscal year 2018-2019 until fiscal year 2022-2023 to establish and adopt protocols to determine whether a driver is operating a vehicle while impaired, including impairment by the use of marijuana or marijuana products, and to establish and adopt protocols setting forth best practices to assist law enforcement agencies. The department may hire personnel to establish the protocols specified in this subdivision. In addition, the department may make grants to public and private research institutions for the purpose of developing technology for determining when a driver is operating a vehicle while impaired, including impairment by the use of marijuana or marijuana products.

(d) The Controller shall next disburse the sum of ten million dollars (\$10,000,000) beginning fiscal year 2018-2019 and increasing ten million dollars (\$10,000,000) each fiscal year thereafter until fiscal year 2022-2023, at which time the disbursement shall be fifty million dollars (\$50,000,000) each year thereafter, to the Governor's Office of Business and Economic Development, in consultation with the Labor and Workforce Development Agency and the Department of Social Services, to administer a Community Reinvestments grants program to local health departments and at least fifty-percent to qualified community-based nonprofit organizations to support job placement, mental health treatment, substance use disorder treatment, system navigation services, legal services to address barriers to reentry, and linkages to medical care for communities disproportionately affected by past federal and

state drug policies. The Office shall solicit input from community-based job skills, job placement, and legal service providers with relevant expertise as to the administration of the grants program. In addition, the Office shall periodically evaluate the programs it is funding to determine the effectiveness of the programs, shall not spend more than four percent (4%) for administrative costs related to implementation, evaluation and oversight of the programs, and shall award grants annually, beginning no later than January 1, 2020.

(e) The Controller shall next disburse the sum of two million dollars (\$2, 000, 000) annually to the University of California San Diego Center for Medicinal Cannabis Research to further the objectives of the Center including the enhanced understanding of the efficacy and adverse effects of marijuana as a pharmacological agent.

(f) By July 15 of each fiscal year beginning in fiscal year 2018-2019, the Controller shall, after disbursing funds pursuant to subdivisions (a), (b), (c), (d), and (e), disburse funds deposited in the Tax Fund during the prior fiscal year into sub-trust accounts, which are hereby created, as follows: (1) Sixty percent (60%) shall be deposited in the Youth Education, Prevention, Early Intervention and Treatment Account, and disbursed by the Controller to the Department of Health Care Services for programs for youth that are designed to educate about and to prevent substance use disorders and to prevent harm from substance use. The Department of Health Care services shall enter into inter-agency agreements with the Department of Public Health and the Department of Education to implement and administer these programs. The programs shall emphasize accurate education, effective prevention, early intervention, school retention, and timely treatment services for youth, their families and caregivers. The programs may include, but are not limited to, the following components: (A) Prevention and early intervention services including outreach, risk survey and education to youth, families, caregivers, schools, primary care health providers, behavioral health and substance use disorder service providers, community and faith-based organizations, foster care providers, juvenile and family courts, and others to recognize and reduce risks related to substance use, and the early signs of problematic use and of substance use disorders. (B) Grants to schools to develop and support Student Assistance Programs, or other similar programs, designed to prevent and reduce substance use, and improve school retention and performance, by supporting students who are at risk of dropping out of school and promoting alternatives to suspension or expulsion that focus on school retention, remediation, and professional care. Schools with higher than average dropout rates should be prioritized for grants. transporting, or otherwise obtaining from the registrant that grows industrial hemp the fiber, oil, cake, or seed, or any component of the seed, of the plant.

(g) If, in the Attorney General's opinion issued pursuant to Section 8 of the Act that added this division, it is determined that the provisions of this section are not sufficient to comply with federal law, the department, in consultation with the board, shall establish procedures for this section that meet the requirements of federal law. **[What the heck does this mean? How might “the provisions of this section” -- which spells out disbursement of revenue to various entities --not be “sufficient to comply with federal law“? Well, I think this is anticipating that the federal government, too, is going to begin taxing marijuana! So then the State of California is going to have to turn over tax monies to the federal government, too, which means that, in order to have enough money to run the giant state bureaucracy that AUMA wants to create, that bureaucracy is going to have to collect more money from consumers.]**

81007. Prohibitions; De minimis considerations (a) Except as provided in subdivision (b) or as necessary to perform testing pursuant to subdivision (f) of Section 81006, the possession, outside of a field of lawful cultivation, of resin, flowering tops, or leaves that have been removed from the hemp plant is prohibited.

(b) The presence of a de minimis amount, or insignificant number, of hemp leaves or flowering tops in hemp bales that result from the normal and appropriate processing of industrial hemp shall not constitute possession of marijuana. **[Oh good grief! The only hemp that will be allowed under AUMA is GMO cannabis that has been engineered to have hardly any THCa. So possession of flowering tops is not possession of anything like the dreaded marijuana.]**

81008. Attorney General reports; Requirements

(a) Not later than January 1, 2019, or five years after the provisions of this division are authorized under federal law, whichever is later, the Attorney General shall report to the Assembly and Senate Committees on Agriculture and the Assembly and Senate Committees on Public Safety the reported incidents, if any, of the following: (1) A field of industrial hemp being used to disguise marijuana cultivation. (2) Claims in a court hearing by persons other than those exempted in subdivision (f) of Section 81006 that marijuana is industrial hemp.

(b) A report submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

(c) Pursuant to Section 10231.5 of the Government Code, this section is repealed on January 1, 2023, or four years after the date that the report is due, whichever is later.

81010. Operation of division

(a) This division, and Section 221 of the Food and Agricultural Code, shall not become operative unless authorized under federal law on January 1, 2017. **[We do not need to follow federal law related to hemp.]**

(b) The possession, use, purchase, sale, production, manufacture, packaging, labeling, transporting, storage, distribution, use, and transfer of industrial hemp shall be regulated in accordance with this division. The Bureau of Marijuana Control has authority to regulate and control plants and products that fit within the definition of industrial hemp but that are produced, processed, manufactured, tested, delivered, or otherwise handled pursuant to a license issued under Division 10 of the Business and Professions Code.

SECTION 10. AMENDMENT. This Act shall be broadly construed to accomplish its purposes and intent as stated in Section 3. **[Remember that the purpose and intent stated in Section 3 is this: “The purpose of the Adult Use of Marijuana Act is to establish a comprehensive system to legalize, control and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical marijuana, including marijuana products, for use by adults 21 years and older, and to tax the commercial growth and retail sale of marijuana.” As shown by the use of two different terms: “nonmedical marijuana” and “marijuana,” the intent and purpose includes taxing and controlling the sale of both “nonmedical” and “medical marijuana.”] The Legislature may by majority vote amend the provisions of this Act contained in Sections 5 and 6 to implement the substantive provisions of those sections, provided that such amendments are consistent with and further the purposes and intent of this Act as stated in Section 3. **[So the Legislature can change the provisions in Sections 5 & 6 with a simple majority vote, as long as the changes further the purpose and intent of taxing and controlling marijuana.****

Next important question: what are those provisions that can be so easily changed -- after this is voted into law? Guess. They just happen to be Section 5, which controls “Use of Marijuana for Medical Purposes,” and Section 6, which controls “Adult Use” marijuana, under the title “Marijuana Regulation and Safety.” So any benefits you THINK you are getting from AUMA can be changed by the Legislature with a simple majority vote.] Amendments to this Act that enact protections for employees and other workers of licensees under Section 6 of this Act that are in addition to the protections provided for in this Act or that otherwise expand the legal rights of such

employees or workers of licensees under Section 6 of this Act shall be deemed to be consistent with and further the purposes and intent of this Act. The Legislature may by majority vote amend, add, or repeal any provisions to further reduce the penalties for any of the offenses addressed by this Act. Except as otherwise provided, the provisions of the Act may be amended by a two-thirds vote of the Legislature to further the purposes and intent of the Act.

[This means the Legislature can amend anything it wants with a two-thirds vote. For example, it can increase the excise tax from 15 to 50 percent, apply sales and use taxes to medical marijuana, increase the marijuana ID card price to \$500. It can make changes that turn marijuana over to the highest bidders (R. J. Reynolds, Monsanto and Wal*Mart?). It can take delete all personal cultivation rights. Truly, this is one very evil initiative.]

SECTION 11. CONSTRUCTION AND INTERPRETATION. The provisions of this Act shall be liberally construed to effectuate the purposes and intent of the Control, Regulate and Tax the Adult Use of Marijuana Act; provided, however, no provision or provisions of this Act shall be interpreted or construed in a manner to create a positive conflict with federal law, including the federal Controlled Substances Act, such that the provision or provisions of this Act and federal law cannot consistently stand together.

[WARNING! When you understand federal law, you realize that Section 11 clearly establishes that the only purpose of AUMA is to destroy patients' rights under Prop. 215 and take over medical marijuana as a source of profits. It shows that AUMA is not really going to "legalize" "adult use." That is because, under the federal Controlled Substances Act (CSA), there cannot be any lawful, non-medicinal, "recreational" or "adult" use of marijuana until the federal government passes a law to move marijuana from the CSA into its own category, like tobacco and alcohol, which it is itching to do to tax the heck out of it!

But first, the feds know they must destroy the 99 percent's right to cultivate marijuana or they won't be able to control marijuana and won't be able to tax the heck out of it. So until California's pro-99-percent Prop. 215 is destroyed, the feds won't take the next logical step.

To repeat, controlled substances, no matter whether they are Schedule 1 or 5 or anything in between, cannot lawfully be used as anything except a prescription drug for medicinal purposes. Until, or course, the feds move marijuana into its own, recreational drug category.

So AUMA is just another big, fat Trojan Horse, just like Prop. 19 was.

SECTION 12. SEVERABILITY. If any provision in this Act, or part thereof, or the application of any provision or part to any person or circumstance is held for any reason to be invalid or unconstitutional, the remaining provisions and parts shall not be affected, but shall remain in full force and effect, and to this end the provisions of this Act are severable. **[So when it's clear that "adult use" of marijuana is forbidden under federal law, all these changes to medical marijuana -- including the taxes, costs, limits on cultivation, etc. will remain in place -- if people vote for AUMA. So don't vote for AUMA!]**

SECTION 13. CONFLICTING INITIATIVES. In the event that this measure and another measure or measures concerning the control, regulation, and taxation of marijuana, medical marijuana, or industrial hemp appear on the same statewide election ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other measure shall be null and void.