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BUSINESS AND PROFESSIONS CODE - BPC

DIVISION 10. Cannabis [26000 - 26325] (Heading of Division 10 amended by Stats. 2017, Ch. 27, Sec. 3.)

CHAPTER 22. Cannabis Cooperative Associations [26220 - 26231.2] (Chapter 22 added by Stats. 2017, Ch. 27, Sec. 107.)

ARTICLE 2. General Provisions [26222 - 26222.6] (Article 2 added by Stats. 2017, Ch. 27, Sec. 107.)

26222. The purpose of this chapter is to do all of the following:

- (a) Promote, foster, and encourage the intelligent and orderly marketing of cannabis product through cooperation.
- (b) Eliminate speculation and waste.
- (c) Make the distribution of cannabis product as direct as can be efficiently done.
- (d) Stabilize the marketing of cannabis product.
- (e) Satisfy the conditions of Section 26052.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)

26222.1. An exemption under law that applies to a cannabis product in the possession, or under the control, of the individual cultivator, shall apply similarly and completely to the cannabis product that is delivered by its cultivator members that are in the possession, or under the control, of the association.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)

26222.2. A person, firm, corporation, or association, that is hereafter organized or doing business in this state, may not use the word "cannabis cooperative" as part of its corporate name or other business name or title for producers' cooperative marketing activities, unless it has complied with this chapter.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)

26222.3. An association that is organized pursuant to this chapter shall not conspire in restraint of trade, or serve as an illegal monopoly, attempt to lessen competition, or to fix prices in violation of law of this state.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)

26222.4. The marketing contracts and agreements between an association that is organized pursuant to this chapter and its members and any agreements authorized in this chapter shall not result in restraint of trade, or violation of law of this state.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)

26222.5. The General Corporation Law (Division 1 (commencing with Section 100) of Title 1 of the Corporations Code) applies to each association that is organized pursuant to this chapter, except where those provisions are in conflict with or inconsistent with the express provisions of this chapter. For the purpose of associations organized without shares of stock, the members shall be deemed to be "shareholders" as the term is used in the General Corporation Law.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)

26222.6. (a) Except as provided in subdivision (c), Chapter 7 (commencing with Section 1500) of Title 10 of Part 3 of the Code of Civil Procedure does not apply to a proprietary interest in an association organized in accordance with this chapter. A proprietary interest that would otherwise escheat to the state pursuant to Chapter 7 (commencing with Section 1500) of Title 10 of Part 3 of the Code of Civil Procedure shall instead become the property of the association.

(b) Notwithstanding subdivision (a), no proprietary interest shall become the property of the association under this section unless all of the following requirements are satisfied:

(1) At least 60 days' prior notice of the proposed transfer of the proprietary interest to the association is given to the affected member by first-class or certified mail to the last address of the member shown on the association's records, and by publication in a newspaper of general circulation in the county in which the member last resided as shown on the association's records. Notice given pursuant to this paragraph constitutes actual notice.

(2) No written notice objecting to the transfer is received by the association from the affected member or, if the member is deceased, from the member's heirs or the executor or executrix of the estate, prior to the date of the proposed transfer.

(c) "Proprietary interest" means and includes any membership, membership certificate, membership share, share certificate, or equity or dividend certificate of any class representing a proprietary interest in, and issued by, the association together with all accrued and unpaid earnings, dividends, and patronage distributions relating thereto.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)