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**AB-2020 Cannabis: local jurisdiction licensees: temporary event license.** (2017-2018)

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**Assembly Bill No. 2020**

**CHAPTER 749**

An act to amend Section 26200 of the Business and Professions Code, relating to cannabis.

[ Approved by Governor September 26, 2018. Filed with Secretary of State September 26, 2018. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 2020, Quirk. Cannabis: local jurisdiction licensees: temporary event license.

The Control, Regulate and Tax Adult Use of Marijuana Act of 2016 (AUMA), an initiative measure approved as Proposition 64 at the November 8, 2016, statewide general election, authorizes a person who obtains a state license under AUMA to engage in commercial adult-use cannabis activity pursuant to that license and applicable local ordinances. The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), among other things, consolidates the licensure and regulation of commercial medicinal and adult-use cannabis activities. MAUCRSA authorizes an applicant to apply to all applicable state licensing authorities to obtain a state license to engage in commercial adult-use cannabis activity, and requires the applicant to obtain a separate license for each location where it engages in commercial cannabis activity. MAUCRSA establishes the Cannabis Control Appeals Panel and authorizes any person aggrieved by specified decisions of a licensing authority related to disciplining any license to appeal the licensing authority's written decision to the panel.

MAUCRSA authorizes a state licensing authority to issue a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair or district agricultural association event, provided that certain other requirements are met, including that all participants in the event are licensed under MAUCRSA. Under existing administrative law, the Bureau of Cannabis Control has adopted regulations that govern the issuance of a state temporary cannabis event license. Under those existing regulations governing state temporary cannabis event licenses, each sale at an event under that license is required to be conducted by a licensed retailer or microbusiness. Under those existing regulations, an applicant for a state temporary event license is required to include in the application a list of all licensees who will be providing onsite sales of cannabis goods at the event, and to update that list and provide a final list to the bureau no less than 72 hours before the event. MAUCRSA requires that any person who engages in commercial cannabis activity without a license is subject to a civil penalty of up to 3 times the amount of the license fee for the violation, subject to certain requirements.

This bill would authorize a state temporary event license to be issued to a licensee for an event to be held at any other venue expressly approved by a local jurisdiction for events, as described. The bill would modify the requirements codified in MAUCRSA to include requirements that are similar to those provided in regulations adopted by the bureau described above, including requiring that all participants who are engaged in the onsite retail sale of cannabis or cannabis products at the event be licensed to engage in that activity, and requiring an applicant who submits an application for a state temporary event license to, 60 days before the event, provide the bureau a list of all licensees that will be providing onsite sales of cannabis or cannabis products at the event and to update that list in a manner similar to what is provided in existing regulations. The bill would specifically authorize the bureau to impose a civil penalty on any person who violates the requirements governing state temporary event

licenses in an amount up to 3 times the amount of the license fee for each violation. The bill would authorize the bureau to require the event and all participants to cease operations without delay if in the opinion of the bureau or local law enforcement it is necessary to protect the immediate public health and safety of the people of the state. The bill would authorize the bureau to require the event organizer to immediately expel from the event any participant selling cannabis or cannabis products without a license from the bureau that authorizes the participant to sell cannabis or cannabis products and would authorize the bureau to require the event and all participants to cease operations immediately if the participant does not leave immediately. The bill would specify that an order by the bureau for the event to cease operations does not entitle the event organizer or any participant in the event to a hearing or an appeal of the decision. The bill would exempt an order by the bureau for the event to cease operations from specified provisions related to the discipline of a license and from specified provisions related to the appeal of a decision by a licensing authority.

The Control, Regulate and Tax Adult Use of Marijuana Act, an initiative measure, authorizes the Legislature to amend the act to further the purposes and intent of the act with a 2/3 vote of the membership of both houses of the Legislature.

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

Vote: 2/3 Appropriation: no Fiscal Committee: yes Local Program: no

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## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 26200 of the Business and Professions Code is amended to read:

**26200.** (a) (1) This division shall not be interpreted to supersede or limit the authority of a local jurisdiction to adopt and enforce local ordinances to regulate businesses licensed under this division, including, but not limited to, local zoning and land use requirements, business license requirements, and requirements related to reducing exposure to secondhand smoke, or to completely prohibit the establishment or operation of one or more types of businesses licensed under this division within the local jurisdiction.

(2) This division shall not be interpreted to supersede or limit existing local authority for law enforcement activity, enforcement of local zoning requirements or local ordinances, or enforcement of local license, permit, or other authorization requirements.

(b) This division shall not be interpreted to require a licensing authority to undertake local law enforcement responsibilities, enforce local zoning requirements, or enforce local licensing, permitting, or other authorization requirements.

(c) A local jurisdiction shall notify the bureau upon revocation of any local license, permit, or authorization for a licensee to engage in commercial cannabis activity within the local jurisdiction. Within 10 days of notification, the bureau shall inform the relevant licensing authorities. Within 60 days of being so informed by the bureau, the relevant licensing authorities shall begin the process to determine whether a license issued to the licensee should be suspended or revoked pursuant to Chapter 3 (commencing with Section 26030).

(d) For facilities issued a state license that are located within the incorporated area of a city, the city shall have full power and authority to enforce this division and the regulations promulgated by the bureau or any licensing authority, if delegated by the state. Notwithstanding Sections 101375, 101400, and 101405 of the Health and Safety Code or any contract entered into pursuant thereto, or any other law, the city shall assume complete responsibility for any regulatory function pursuant to this division within the city limits that would otherwise be performed by the county or any county officer or employee, including a county health officer, without liability, cost, or expense to the county.

(e) (1) This division does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair event, district agricultural association event, or at another venue expressly approved by a local jurisdiction for the purpose of holding temporary events of this nature, provided that the activities, at a minimum, comply with all the following:

(A) The requirements of paragraphs (1) to (3), inclusive, of subdivision (g).

(B) All participants who are engaged in the onsite retail sale of cannabis or cannabis products at the event are licensed under this division to engage in that activity.

(C) The activities are otherwise consistent with regulations promulgated and adopted by the bureau governing state temporary event licenses.

(D) A state temporary event license shall only be issued in local jurisdictions that authorize such events.

(E) A licensee who submits an application for a state temporary event license shall, 60 days before the event, provide to the bureau a list of all licensees that will be providing onsite sales of cannabis or cannabis products at the event. If any changes

occur in that list, the licensee shall provide the bureau with a final updated list to reflect those changes. A person shall not engage in the onsite retail sale of cannabis or cannabis products, or in any way participate in the event, who is not included in the list, including any updates, provided to the bureau.

(2) The bureau may impose a civil penalty on any person who violates this subdivision, or any regulations adopted by the bureau governing state temporary event licenses, in an amount up to three times the amount of the license fee for each violation, consistent with Sections 26018 and 26038.

(3) The bureau may require the event and all participants to cease operations without delay if in the opinion of the bureau or local law enforcement it is necessary to protect the immediate public health and safety of the people of the state. The bureau may also require the event organizer to immediately expel from the event any participant selling cannabis or cannabis products without a license from the bureau that authorizes the participant to sell cannabis or cannabis products. If the unlicensed participant does not leave the event, the bureau may require the event and all participants to cease operations immediately.

(4) The order by the bureau for the event to cease operations pursuant to paragraph (3) does not entitle the event organizer or any participant in the event to a hearing or an appeal of the decision. Chapter 3 (commencing with Section 490) of Division 1.5 and Chapter 4 (commencing with Section 26040) of this division shall not apply to the order by the bureau for the event to cease operations pursuant to paragraph (3).

(5) The smoking of cannabis or cannabis products at temporary events authorized pursuant to this subdivision is prohibited in locations where smoking is prohibited. For purposes of this section, "smoking" has the same meaning as defined in subdivision (c) of Section 22950.5.

(f) This division, or any regulations promulgated thereunder, shall not be deemed to limit the authority or remedies of a city, county, or city and county under any provision of law, including, but not limited to, Section 7 of Article XI of the California Constitution.

(g) Notwithstanding paragraph (1) of subdivision (a) of Section 11362.3 of the Health and Safety Code, a local jurisdiction may allow for the smoking, vaporizing, and ingesting of cannabis or cannabis products on the premises of a retailer or microbusiness licensed under this division if all of the following are met:

(1) Access to the area where cannabis consumption is allowed is restricted to persons 21 years of age or older.

(2) Cannabis consumption is not visible from any public place or nonage-restricted area.

(3) Sale or consumption of alcohol or tobacco is not allowed on the premises.

(h) This division shall not be interpreted to supersede Section 6404.5 of the Labor Code.

**SEC. 2.** The Legislature finds and declares that Section 1 of this act amending Section 26200 of the Business and Professions Code furthers the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act.