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Bill Information

California Law

Publications

Other Resources

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SB-1451 Licenses: sale to underaged persons: penalties. (2017-2018)



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CALIFORNIA LEGISLATURE — 2017–2018 REGULAR SESSION

SENATE BILL NO. 1451

Introduced by Senator Fuller

February 16, 2018

An act to add Section 26031.1 to the Business and Professions Code, relating to cannabis.

LEGISLATIVE COUNSEL'S DIGEST

SB 1451, Fuller. Licenses: sale to underaged persons: penalties.

The Control, Regulate and Tax Adult Use of Marijuana Act (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. Under MAUCRSA, a person may be issued a retailer license and a microbusiness license for commercial adult-use, designated an A-type license, and for commercial medicinal cannabis activity, designated an Mtype license. That act also requires a licensee to obtain a separate license for each location where it engages in commercial cannabis activity.

MAUCRSA imposes duties on the Bureau of Cannabis Control in the Department of Consumer Affairs with respect to the creation, issuance, denial, suspension, and revocation of licenses issued for microbusinesses and sale of cannabis and cannabis products pursuant to MAUCRSA, and authorizes the bureau to suspend, revoke, place on probation with terms and conditions, or otherwise discipline licenses issued by the bureau and fine a licensee, 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, including, but not limited to, the intentional and knowing sale of cannabis or cannabis products by an A-licensee to a person under 21 years of age.

This bill would impose specific penalties on any licensee who holds an A-type or M-type retailer license or A-type or M-type microbusiness license who sells, furnishes, or causes to be sold or furnished cannabis or cannabis products to any person under the legal age on the licensed retail premises or who permits any person under the legal age to consume cannabis or cannabis products on the licensed retail premises, by subjecting the licensee to a suspension or revocation of its A-type and M-type retailer license and A-type and M-type microbusiness license issued for that retail premises where the violation occurred, as provided. The bill would not preclude any additional disciplinary actions to be taken by a licensing authority against the licensee for these acts or omissions.

AUMA authorizes the Legislature to amend, by a majority vote, certain provisions of the act to implement specified substantive provisions, provided that the amendments are consistent with and further the purposes and intent of the act.

This bill would declare that its provisions implement specified substantive provisions of AUMA. The bill would also declare that its provisions further specified purposes and the intent of the act.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

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

SECTION 1. Section 26031.1 is added to the Business and Professions Code, to read:

- **26031.1.** (a) The following disciplinary actions shall be taken against a licensee who is found pursuant to Section 26031 to have committed the following acts or omissions:
 - (1) Any licensee who holds an A-type or M-type retailer license or A-type or M-type microbusiness license who sells, furnishes, or causes to be sold or furnished cannabis or cannabis products to any person under the legal age on the licensed retail premises shall be subject to a 15-day suspension of its A-type and M-type retailer license and A-type and M-type microbusiness license issued for that retail premises where the violation occurred. A second violation occurring at the same licensed retail premises within 36 months of the initial violation shall subject the licensee to a 25-day suspension of those licensees. A third violation occurring at the same licensed retail premises within 36 months of the initial violation shall subject the licensee to revocation of those licenses.
 - (2) Any licensee who holds an A-type or M-type retailer license or A-type or M-type microbusiness license who permits a person under the legal age to consume cannabis or cannabis products on the licensed retail premises shall be subject to a 15-day suspension of its A-type and M-type retailer license and A-type and M-type microbusiness license issued for that retail premises where the violation occurred. A second violation occurring at the same licensed retail premises within 36 months of the initial violation shall subject the licensee to a 25-day suspension of those licenses. A third violation occurring at the same licensed retail premises within 36 months of the initial violation shall subject the licensee to revocation of those licenses.
- (b) This section does not prohibit the bureau from revoking a license prior to a third violation if the bureau finds the circumstances warrant revocation. This section does not preclude any additional disciplinary actions to be taken by a licensing authority against the licensee for the acts or omissions described in subdivision (a), including, but not limited to, suspension periods greater than those specified in subdivision (a).
- (c) For purposes of this section, "A-type" means an "A-license" as defined in Section 26001 and "M-type" means an "M-license" as defined in Section 26001.
- **SEC. 2.** The Legislature finds and declares that Section 1 of this act implements Section 6 of the Control, Regulate and Tax Adult Use of Marijuana Act, and that it is consistent with and furthers the purposes of the act as stated in subdivisions (a), (b), (j), (l), and (n) of Section 3 of that act.