WHAT DOES MAUCRSA AND ITS IMPLEMENTING REGULATIONS MEAN FOR COLLECTIVES AND COOPERATIVES?

MAUCRSA amended Health and Safety Code section 11362.775, the provision in SB 420 affording legal protection to cannabis collectives and cooperatives. This protection will end one year after the Bureau of Cannabis Control (Bureau) posts notice on its website that the state commercial cannabis licensing authorities have commenced issuing licenses. Once the one-year period tolls, all cannabis collectives and cooperatives that continue to engage in commercial business will need to be licensed, except for: (a) individual patients; and (b) caregiver gardens serving no more than five patients.

The Bureau posted the notice on its website on January 9, 2018. Thus, the protection against criminal sanctions for cannabis collectives and cooperatives ends January 9, 2019. At that time, cannabis collectives and cooperatives that seek to continue their operations will need to obtain a state license and comply with any local requirements.

WHAT LEGAL REQUIREMENTS MUST BE SATISFIED TO CONTINUE OPERATING A CANNABIS COLLECTIVE OR COOPERATIVE?

Existing collectives and cooperatives may continue to operate if the legal requirements for operating a cannabis collective or cooperative are observed.

Cannabis collectives or cooperatives must:

• Only acquire and provide cannabis to members and assure that no cannabis transactions occur with nonmembers.
• Only receive monetary reimbursement from members in an amount necessary to cover overhead costs and operating expenses (e.g., not operate on a for-profit basis).
• Possess, cultivate, and transport amounts of cannabis that are consistent with the aggregate limits provided for member patients and may be required to produce documentation to support the amounts of cannabis possessed, cultivated, or transported. Specifically, they may possess:
  8 ounces of dried cannabis per patient
  6 mature plants per patient
  12 immature plants per patient
  An amount of cannabis consistent with the patient’s needs as recommended by a physician
• Satisfy fire, safety, and building code requirements.
• Obtain a seller’s permit from the California Department of Tax and Fee Administration.
• Comply with all applicable local rules and ordinances for operating a cannabis collective or cooperative in that local jurisdiction.