California Cannabis Industry Association

2019 Regulations Update

Richard Parrott, Director
CalCannabis Cultivation Licensing Division
CalCannabis Timeline

- **2015**: Legislature approves medicinal cannabis regulations
- **2016**: Adult Use of Marijuana Act approved
  - March 2, 2016: CDFA hires first cannabis employee
  - September 2016: Statewide scoping hearings
- **2017**: Draft EIR released
  - April 27, 2017: Draft medicinal regulations released
  - Oct 6, 2017: Medicinal regulations withdrawn
  - Nov 13, 2017: Final EIR released
- **2018**: Licensing system live; first cultivation application received
  - Jan 1, 2018: Medicinal & Adult-Use Cannabis Regulation & Safety Act (MAUCRSA) in effect; first temporary license issued
  - Jan 2, 2018: Track-and-Trace system goes live
  - Dec 7, 2017: Emergency regs in effect
  - Dec 18, 2017: Licensing system workshops
  - Nov-Dec, 2017: Draft emergency regulations released
  - Jan-Feb, 2018: Track-and-Trace system training workshops begin
  - Jan-Feb, 2018: First annual cultivation license issued
  - Feb 6, 2018: First state grow site inspection
  - March-April, 2018: Licensing system workshops
  - April 5, 2018: First annual cultivation license application received
  - May 18, 2018: Readoption of emergency regulations released
  - June 6, 2018: Readoption of emergency regulations in effect
  - June 28, 2018: Total annual cultivation applications received exceeds 1,000
  - July 13, 2018: Regular rulemaking package released
  - Oct 19, 2018: Revised regulations released for public comments
  - Oct 26, 2018: Proposed permanent regulations posted online
  - Dec 3, 2018: Proposed permanent regulations to OAL
  - Dec 7, 2018: Proposed permanent regulations posted online
A Few Major Highlights

Medicinal & Adult-Use Cannabis Regulation & Safety Act (MAUCRSA) in effect

- Jan 1, 2018
- Dec 18, 2018
- Jan 2, 2018

- Licensing system live; first cultivation application received
- Licensing system workshops
- First annual license application received
- Total annual cultivation applications received exceeds 1,000
- Revised regulations released for public comments
- Regular rulemaking package released
- Dec 7, 2018: Proposed permanent regulations posted online

- Aug 14, 2017: Draft emergency regulations released
- Nov 6, 2017: Final EIR released
- Apr 28, 2017: Draft EIR released
- Sept 26, 2016: Statewide scoping hearings
- March 2, 2016: CDFA hires first cannabis employee
- Adult Use of Marijuana Act approved
- 2015: Legislature approves medicinal cannabis regulations

- July 13, 2018: Readoption of emergency regulations released
- June 28, 2018: Readoption of emergency regulations in effect
- May 18, 2018: Readoption of emergency regulations released
- April 5, 2018: Readoption of emergency regulations released
- March-April, 2018: Licensing system workshops
- Feb 2018: First annual license application received
- Jan 2018: Licensing system workshops
- Dec 7, 2017: Licensing system workshops
- Nov-Dec, 2017: Licensing system workshops
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- Oct 6, 2017: Draft medicinal regulations released
- April 27, 2017: Final EIR released
- March 2, 2017: CDFA hires first cannabis employee
- Adult Use of Marijuana Act approved
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- Dec 7, 2018: Proposed permanent regulations posted online
A Few Major Highlights

Readoption of emergency cannabis regulations released

- May 18, 2018
- June 6, 2018
- June 28, 2018
- July 13, 2018
- Oct 19, 2018
- Oct 26, 2018
- Dec 3, 2018
- Dec 7, 2018

Key Dates:
- April 5, 2018: Proposed permanent regulations posted online
- Oct 6, 2017: Medical regulations withdrawn
- Oct 28, 2017: Draft EIR released
- Nov 13, 2017: Final EIR released
- April 28, 2017: Draft medicinal regulations released
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- September 2016: Statewide scoping hearings
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- 2015: Legislature approves medicinal cannabis regulations

Processes:
- Draft EIR released
- Final EIR released
- System workshops
- proposed permanent regulations
- Total annual cultivation applications received exceeds 1,000
Permanent regulations for state cannabis cultivation licensing were adopted on January 16, 2019, and went into effect immediately.
Full regulation text can be found at:
calcannabis.cdfa.ca.gov
Regulation Articles

- Definitions
- Application
- Licensing
- Site-Specific Requirements
- Records and Track-and-Trace System
- Inspections
- Enforcement
Highlights: Definitions

• Clarifies “mixed-light” by specifying different light combinations.
• Clarifies that “outdoor cultivation” prohibits the use of light deprivation.
• Clarifies “nonmanufactured cannabis product” by explaining how kief is aggregated.
Highlights: Applications

- CDFA shall not issue any temporary licenses or extensions after December 31, 2018.
- Clarifies what is acceptable evidence of compliance with – or exemption from – the California Environmental Quality Act (CEQA), which is required for annual applications.
- Clarifies sharable common-use areas between licenses.
# License Types

<table>
<thead>
<tr>
<th></th>
<th>Outdoor</th>
<th>Indoor</th>
<th>Mixed-Light</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialty Cottage</td>
<td>Up to 25 mature plants</td>
<td>Up to 500 sq ft</td>
<td>Up to 2,500 sq ft</td>
</tr>
<tr>
<td>Specialty</td>
<td>Up to 5,000 sq ft or up to 50 mature plants</td>
<td>Up to 5,000 sq ft</td>
<td>Up to 5,000 sq ft</td>
</tr>
<tr>
<td>Small</td>
<td>5,001 to 10,000 sq ft</td>
<td>5,001 to 10,000 sq ft</td>
<td>5,001 to 10,000 sq ft</td>
</tr>
<tr>
<td>Medium (limited to 1 license until 1-1-2023)</td>
<td>10,001 sq ft to 1 acre</td>
<td>10,001 to 22,000 sq ft</td>
<td>10,001 to 22,000 sq ft</td>
</tr>
<tr>
<td>Large (will not be issued until 1-1-2023)</td>
<td>Larger than 1 acre</td>
<td>Larger than 22,000 sq ft</td>
<td>Greater than 22,000 sq ft</td>
</tr>
<tr>
<td>Nursery</td>
<td>No size limit (no canopy)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Processor</td>
<td>Conducts only trimming, drying, curing, grading, or packaging of cannabis and nonmanufactured cannabis products</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Annual Cultivation License Application Fee

<table>
<thead>
<tr>
<th>Category</th>
<th>Fee</th>
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<tbody>
<tr>
<td>Specialty Cottage Outdoor</td>
<td>$135</td>
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<tr>
<td>Specialty Outdoor</td>
<td>$270</td>
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<tr>
<td>Small Outdoor</td>
<td>$535</td>
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<tr>
<td>Medium Outdoor</td>
<td>$1,555</td>
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<tr>
<td>Specialty Cottage Indoor</td>
<td>$205</td>
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<tr>
<td>Specialty Indoor</td>
<td>$2,170</td>
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<tr>
<td>Small Indoor</td>
<td>$3,935</td>
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<tr>
<td>Medium Indoor</td>
<td>$8,655</td>
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<tr>
<td>Specialty Cottage Mixed-Light Tier 1</td>
<td>$340</td>
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<tr>
<td>Specialty Mixed-Light Tier 1</td>
<td>$655</td>
</tr>
<tr>
<td>Small Mixed-Light Tier 1</td>
<td>$1,310</td>
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<tr>
<td>Medium Mixed-Light Tier 1</td>
<td>$2,885</td>
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<tr>
<td>Specialty Cottage Mixed-Light Tier 2</td>
<td>$580</td>
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<tr>
<td>Specialty Mixed-Light Tier 2</td>
<td>$1,125</td>
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<tr>
<td>Small Mixed-Light Tier 2</td>
<td>$2,250</td>
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<tr>
<td>Medium Mixed-Light Tier 2</td>
<td>$4,945</td>
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<tr>
<td>Nursery</td>
<td>$520</td>
</tr>
<tr>
<td>Processor</td>
<td>$1,040</td>
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</tbody>
</table>
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<table>
<thead>
<tr>
<th>License Type</th>
<th>Fee</th>
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</thead>
<tbody>
<tr>
<td>Specialty Cottage Outdoor</td>
<td>$1,205</td>
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<tr>
<td>Specialty Outdoor</td>
<td>$2,410</td>
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<tr>
<td>Small Outdoor</td>
<td>$4,820</td>
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<tr>
<td>Medium Outdoor</td>
<td>$13,990</td>
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<tr>
<td>Specialty Cottage Indoor</td>
<td>$1,830</td>
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<tr>
<td>Specialty Indoor</td>
<td>$19,540</td>
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<td>Small Indoor</td>
<td>$35,410</td>
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<tr>
<td>Medium Indoor</td>
<td>$77,905</td>
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<tr>
<td>Specialty Cottage Mixed-Light Tier 1</td>
<td>$3,035</td>
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<tr>
<td>Specialty Mixed-Light Tier 1</td>
<td>$5,900</td>
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<tr>
<td>Small Mixed-Light Tier 1</td>
<td>$11,800</td>
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<tr>
<td>Medium Mixed-Light Tier 1</td>
<td>$25,970</td>
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<tr>
<td>Specialty Cottage Mixed-Light Tier 2</td>
<td>$5,200</td>
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<tr>
<td>Specialty Mixed-Light Tier 2</td>
<td>$10,120</td>
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<tr>
<td>Small Mixed-Light Tier 2</td>
<td>$20,235</td>
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<tr>
<td>Medium Mixed-Light Tier 2</td>
<td>$44,517</td>
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<tr>
<td>Nursery</td>
<td>$4,685</td>
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<tr>
<td>Processor</td>
<td>$9,370</td>
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</table>
Highlights: Site-Specific Requirements

- Modifies the types of carbon-offset sources available to the licensee to cover excess emissions from the previous annual-license period.
- Clarifies generator requirements and adds a requirement for an after-market non-resettable hour-meter if the generator is not equipped with one.
Highlights: Records & Track-and-Trace

- Clarifies that immature plants in a “lot” shall be uniform in strain.
- Clarifies which activities are required to be entered into the California Cannabis Track-and-Trace (CCTT) System.
- Requires an annual licensee to input into CCTT any cannabis activity conducted between a temporary licensee and an annual licensee.
Highlights: Enforcement

- Adds circumstances and notice and hearing procedures that require CDFA to issue an emergency decision and order a temporary suspension or an administrative hold to prevent or avoid immediate danger to public health, safety, or welfare.

- Clarifies that a respondent may appeal a CDFA informal-hearing decision with the Cannabis Control Appeals Panel.
CURRENT STATISTICS – 2/27/19

Licenses and Applications
✓ 6,804 Active Temporary Licenses
✓ 10 Active Annual Licenses
✓ 3 Active Provisional Licenses
  (59 Approved-Pending Payment)
✓ 4,262 Annual/Provisional Applications
Visit our website for fact sheets and to subscribe to Email Alerts: calcannabis.cdfa.ca.gov

Phone: 1-833-CALGROW

Email: calcannabis@cdfa.ca.gov

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