



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

CAL  CalCannabis
Cultivation Licensing

Overview of the Commercial Cannabis Cultivation Licensing Process

September 2018

Who Does What?

California Department of Food and Agriculture (CDFA): CalCannabis Cultivation Licensing (CalCannabis)

California Department of Public Health (CDPH): Manufactured Cannabis Safety Branch (MCSB)

California Department of Consumer Affairs (DCA): Bureau of Cannabis Control (Bureau)



License Categories

Category	Outdoor	Indoor	Mixed-Light
Specialty Cottage	Up to 25 mature plants	Up to 500 sq ft	Up to 2,500 sq ft
Specialty	Up to 5,000 sq ft or up to 50 mature plants	Up to 5,000 sq ft	Up to 5,000 sq ft
Small	5,001-10,000 sq ft	5,001-10,000 sq ft	5,001-10,000 sq ft
Medium (limited)	10,001 sq ft to 1 acre	10,001- 22,000 sq ft	10,001- 22,000 sq ft
Large (Not issued until 2023)	Greater than 1 acre	Greater than 22,000 sq ft	Greater than 22,000 sq ft
Nursery	No size limit defined in statute (no canopy)		
Processor	Conducts only trimming, drying, curing, grading, or packaging of cannabis and nonmanufactured cannabis products		

Temporary Licenses

- Legislative effort to bring existing industry into a regulatory structure
- **Must have local license, permit, or other authorization**
- Good for 120 days
- May be extended for additional 90-day periods;
requires the submission of a complete annual application
- **FREE!!!!!!**
- Sunsets January 1, 2019

Annual Licenses

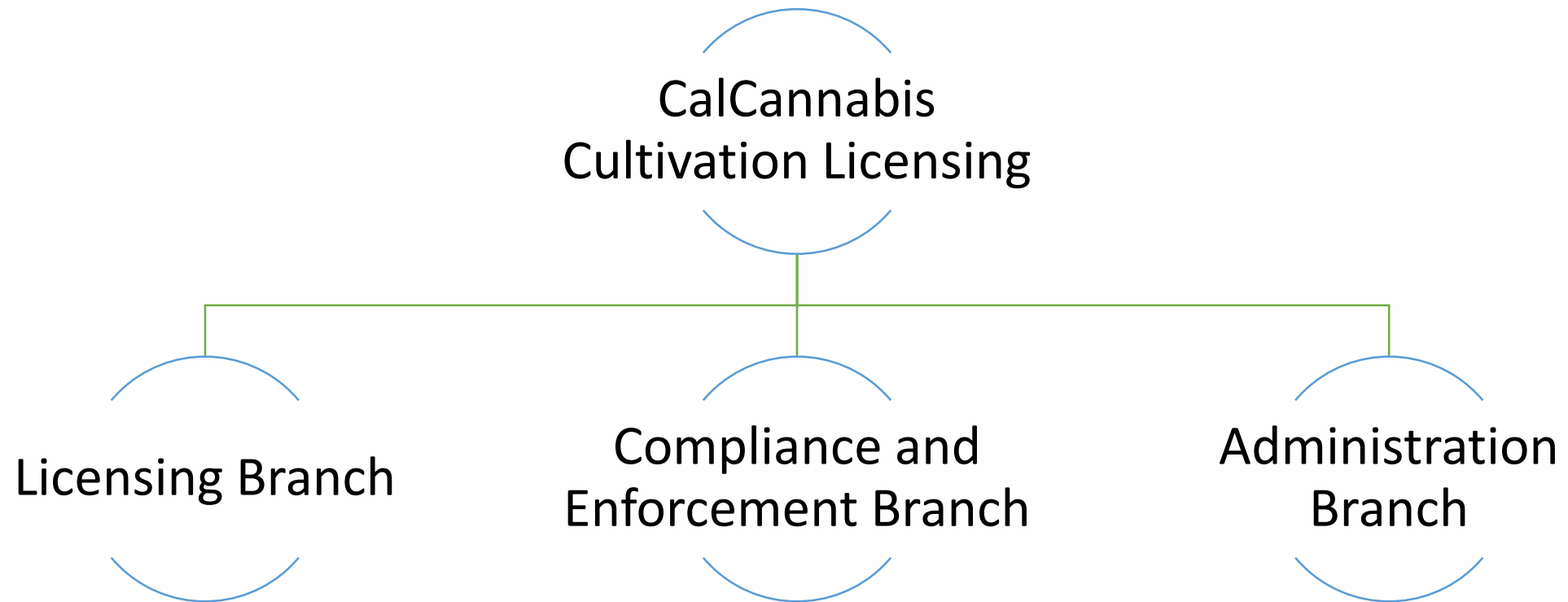
- Good for one year
- Application and license fees apply
- Proof of local authorization not required with an application
- Required to use the California Cannabis Track-and-Trace (CCTT) system
- Must be renewed annually



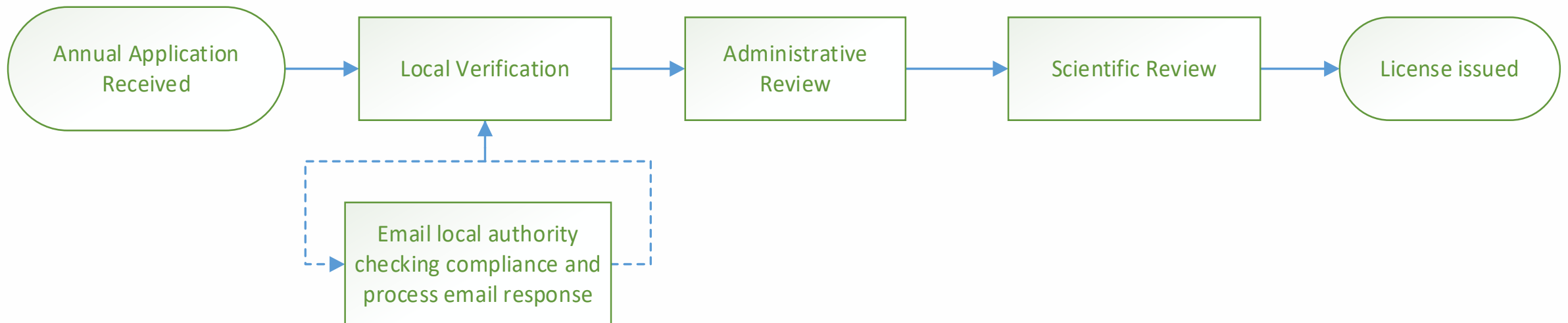
Annual License Fees

Specialty Cottage Outdoor	\$1,205
Specialty Outdoor	\$2,410
Small Outdoor	\$4,820
<u>Medium Outdoor</u>	<u>\$13,990</u>
Specialty Cottage Indoor	\$1,830
Specialty Indoor	\$19,540
Small Indoor	\$35,410
<u>Medium Indoor</u>	<u>\$77,905</u>
Specialty Cottage Mixed-Light Tier 1	\$3,035
Specialty Mixed-Light Tier 1	\$5,900
Small Mixed-Light Tier 1	\$11,800
<u>Medium Mixed-Light Tier 1</u>	<u>\$25,970</u>
Specialty Cottage Mixed-Light Tier 2	\$5,200
Specialty Mixed-Light Tier 2	\$10,120
Small Mixed-Light Tier 2	\$20,235
<u>Medium Mixed-Light Tier 2</u>	<u>\$44,517</u>
Nursery	\$4,685
Processor	\$9,370

Organization



Annual License Application Review Process Flow



Local Verification

Address Validation

- Confirm physical address using web-based mapping software

Transmit Compliance Inquiry

- Temporary = 10 calendar days to respond
- Permit supplied = 10 calendar days to respond
- No permit supplied = 60 business days to respond

Analyze Compliance Response

- In Compliance = moves to administrative review
- Not in Compliance = review stops and may be recommended for denial
- No Response = move to administrative review

Administrative Review

Business Entity Structure

- Business formation documents, sellers permit, surety bond, other cannabis interests

Right to Occupy

- Own- title or deed for the property
- Rent/Lease- lease agreement and acknowledgement letter from property owner

Owner Applications

- Criminal history, conviction disclosures, statement of rehabilitation, legal determination on substantially-related offenses

Deficiencies—**Annual**

- 90 days to supply all missing or incomplete information

Scientific Review

Cultivation Plan

- Property diagram, premises diagram, pest management plan, waste management plan, lighting diagram (if applicable)

Water source documentation

Waste discharge program enrollment

Lake or streambed alteration agreement—**Annual**

CEQA Compliance—**Annual**

Deficiencies—**Annual**

- 90 days to supply all missing or incomplete information

Cultivation Plan – Diagrams

Property Diagram

- Show entire property associated with the proposed premises
- Show other licenses/applications and other non-cannabis uses of the property
- Perimeter dimensions in feet

Premises Diagram

- Detailed view of the proposed licensed premises
- Must identify boundaries and dimensions (in feet)
- Aggregate canopy area for non-contiguous canopy areas

Lighting Diagram

- Location of all lights in the canopy area(s), maximum wattage of each light, aggregate wattage per square foot of each canopy area

Cultivation Plan

Waste Management Plan

- Must identify the method for managing cannabis waste generated on the premises
- Optional fillable form available on website

Pest Management Plan

- Must comply with CA Department of Pesticide Regulation's rules and regulations regarding pesticide use
- Cultural, biological, and chemical controls
- Product name and active ingredients for chemical controls
- Optional fillable form available on website

Water Source and Protection

Water Source Documentation

- Documentation varies depending on water source

Waste Discharge Program Enrollment

- State Water Resources Control Board
- Must provide either:
 - Conditional Waiver of Waste Discharge Requirements
 - Notice of Applicability

Lake and Streambed Alteration Documentation

- CA Department of Fish and Wildlife program
- Must provide either:
 - Written verification that notification is not required
 - Lake and Streambed Alteration Agreement

CEQA

California Environmental Quality Act

- Requires environmental review on projects
- City of Oakland and CalCannabis will both conduct reviews
- May issue Notice of Exemption (NOE)
- Projects with potential impacts will get in-depth CEQA review and document (e.g. EIR, ND, MND)

CEQA Documentation

- Provide Notice of Exemption or Notice of Determination from City of Oakland
- Provide Evidence of environmental review or decision making process or EIR, ND, MND
- May provide permit from City of Oakland
- Helpful but not required is a project description, could be part of the environmental review package

California Cannabis Track-and-Trace (CCTT) System

Annual licensees required to use CCTT

- Web-based
- Seed-to-sale
- Unique identifiers (UID)
- Training

Temporary licensees **NOT** required to use CCTT

- Must manually document transfer of cannabis

CalCannabis Compliance and Enforcement

- CEB has been conducting cultivation site inspections
- Focus is on compliance and providing information
- Can legally show up unannounced anytime during regular business hours
- Failure to show/allow access subject to 1,000-5,000\$ citation

Contact Us!



Visit our website and join our email-alert list:
cannabis.cdfa.ca.gov



1-833-CALGROW



cannabis@cdfa.ca.gov



Facebook.com/CACultivationLicensing



Instagram.com/cannabis.cdfa



Twitter.com/cal_cannabis

Regulations and Licensing for Cannabis Manufacturing

Christina Dempsey, Outreach Manager
California Department of Public Health
Manufactured Cannabis Safety Branch



State Cannabis Law

- | | |
|------|--|
| 1996 | Compassionate Use Act
Proposition 215 |
| 2015 | Medical Cannabis Regulation & Safety Act (MCRSA)
AB 266, AB 243, SB 643 |
| 2016 | Adult Use of Marijuana Act (AUMA)
Proposition 64 |
| 2017 | Medicinal and Adult-Use Cannabis Regulation
& Safety Act (MAUCRSA)
SB 94, AB 133 |



Principles of MAUCRSA

Public Health &
Consumer
Safety

Neither Food
Nor Drug

Vertical
Integration

Dual Licensing
Structure



Dual Licensing Structure

Local Authorization

Must comply with local ordinances

Local cannabis ordinances and permitting

State Licensing

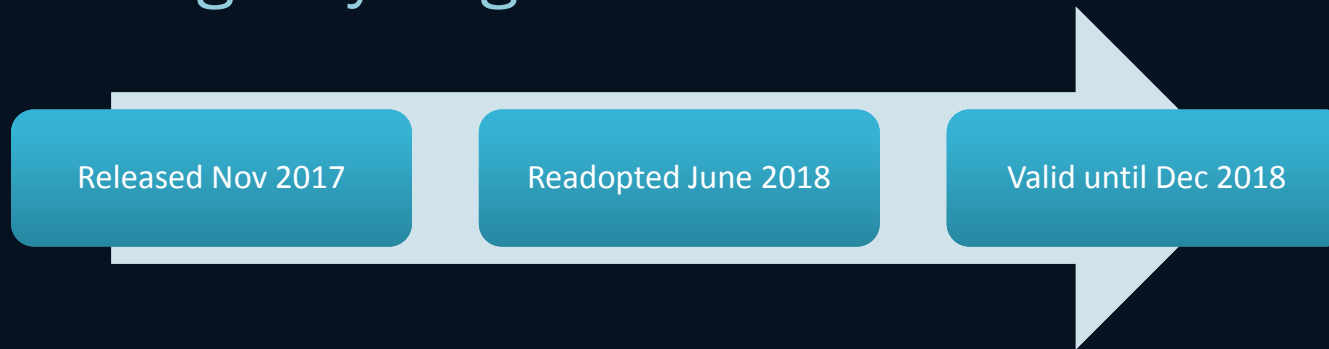
All cannabis businesses must be licensed

State cannabis licensing authorities



State Regulations

Emergency Regulations



Permanent Regulations



State Cannabis Offices



Bureau of
Cannabis Control
(Bureau)

Retailers
Distributors
Testing Labs
Microbusinesses



CA Department of
Public Health

*Manufactured
Cannabis Safety
Branch (MCSB)*

Manufacturers



CA Department of
Food & Agriculture

*CalCannabis
Cultivation Licensing*

Cultivators
Track-and-Trace



California Department of Public Health

Role: Protect public health by promoting product and workplace safety

Manufactured Cannabis Safety Branch

- Regulations
- Licensing
- Compliance



Cannabis Manufacturing

Extraction – separating cannabinoids from cannabis plant material

Infusion – using plant material or concentrates to create a cannabis product

Packaging and Labeling - putting finished cannabis products into a container and/or marking them for sale



License Categories and Types

License Categories: AM, M or A

License Types:

Type 7

- Extraction: Volatile Solvents

Type 6

- Extraction: Non-volatile Solvents, Mechanical Methods

Type N

- Infusions

Type P

- Packaging & Labeling Only

Type S

- Shared-Use Facilities



Licenses

Temporary Licenses

- Valid 120 days
- One-page paper application submitted via email or mail
- Need copy of local authorization
- Issuing until Dec 31, 2018

Annual Licenses

- Valid 1 year
- Online application process – Manufactured Cannabis Licensing System (MCLS)
- More extensive application requirements
- Must be “in compliance” with local jurisdiction



Temporary License Application

- One page form
- Available on MCSB website
- Submit via email or mail with local authorization

SECTION A – LICENSE TYPE (Check all that apply)

Medicinal (M) Adult-Use (A)

SECTION B – APPLICANT INFORMATION

First Name _____ MI _____ Last Name _____
Title _____ Phone Number _____ Email Address _____

SECTION C – BUSINESS INFORMATION

Legal Business Name (as registered with the CA Secretary of State) _____ Trade Name (DBA) _____ Federal EIN _____
Mailing Address _____ City _____ State _____ Zip _____ County _____

SECTION D – PREMISES INFORMATION

Physical Address of Manufacturing Premises _____ City _____ State _____ Zip _____ County _____

SECTION E – OPERATIONAL ACTIVITIES (Check all that apply for the premises listed in Section D)

Product Types	M	A	Activities	M	A	Extraction Methods	M	A
Edibles	<input type="checkbox"/>	<input type="checkbox"/>	Extraction	<input type="checkbox"/>	<input type="checkbox"/>	Butane/Hexane/Propane	<input type="checkbox"/>	<input type="checkbox"/>
Concentrates	<input type="checkbox"/>	<input type="checkbox"/>	Infusion	<input type="checkbox"/>	<input type="checkbox"/>	Ethanol	<input type="checkbox"/>	<input type="checkbox"/>
Topicals	<input type="checkbox"/>	<input type="checkbox"/>	Packaging/Labeling	<input type="checkbox"/>	<input type="checkbox"/>	Carbon Dioxide (CO2)	<input type="checkbox"/>	<input type="checkbox"/>
Capsules/Tablets	<input type="checkbox"/>	<input type="checkbox"/>				Water/Food-grade Dry Ice	<input type="checkbox"/>	<input type="checkbox"/>
Vape Cartridges	<input type="checkbox"/>	<input type="checkbox"/>				Food-grade Butter/Oil	<input type="checkbox"/>	<input type="checkbox"/>
Tinctures	<input type="checkbox"/>	<input type="checkbox"/>				Mechanical	<input type="checkbox"/>	<input type="checkbox"/>
Other:	<input type="checkbox"/>	<input type="checkbox"/>				Other:	<input type="checkbox"/>	<input type="checkbox"/>

SECTION F – LOCAL AUTHORIZATION

Local Issuing Authority _____ Local Office Phone Number _____ Local Office Email Address _____

SECTION G – LOCAL AUTHORIZATION ATTACHMENT

A copy of a valid license, permit or other authorization issued by the local jurisdiction that enables the applicant to conduct commercial cannabis activity at the premises listed in Section D.

SECTION H – DECLARATIONS AND SIGNATURE

I declare under penalty that:

- The information contained within and attached to this application is complete, true and accurate. I understand a misrepresentation of fact is cause for rejection of this application, denial of license or revocation of an issued license.
- I understand that the temporary license is a conditional license that authorizes my business to engage in the commercial cannabis activity described in the application.
- I understand that refusal by the licensing authority to issue or extend a temporary license shall not entitle the business to a hearing or appeal of the decision.
- I understand that the issuance of a temporary license does not obligate the Department to issue a non-temporary license, nor does it create a vested right to either an extension of the temporary license or to the granting of a non-temporary license.
- I understand that I am responsible for knowing and complying with all state laws and regulations governing medicinal and adult-use cannabis manufacturing pursuant to MAUCRSA and all other applicable laws and regulations, upon issuance of my temporary license. I understand that I am responsible for compliance with subsequent updates to cannabis manufacturing laws and regulations.

Signature _____ Print Name _____ Date _____



How We Process Temporary Applications



Annual License Requirements


- Requirements of Operating a Business in CA
 - CA Business Registration
 - CA Seller's Permit
 - Federal Employer ID Number (FEIN)
 - Compliance with city or county ordinances
- Owners and Financial Interest Holders



Manufactured Cannabis Licensing System (MCLS)

MANUFACTURED CANNABIS LICENSING SYSTEM (MCLS) Update Profile

Welcome to Manufactured Cannabis Licensing System, **Joan**



We still need some information about you.
[Click here](#) to complete your profile

My Profile

- [Change Password](#)
- [My Documents](#)

Tools

- [FAQs](#)
- [Helpful Hints](#)
- [Contact Us](#)



Annual License Application

Individual Information

Business applicant and owners
Contact information
Background check

Business Information

Legal business name
FEIN and seller's permit number
Mailing address
Disclosure of owners and financial interest holders
Primary contact

Premises Information

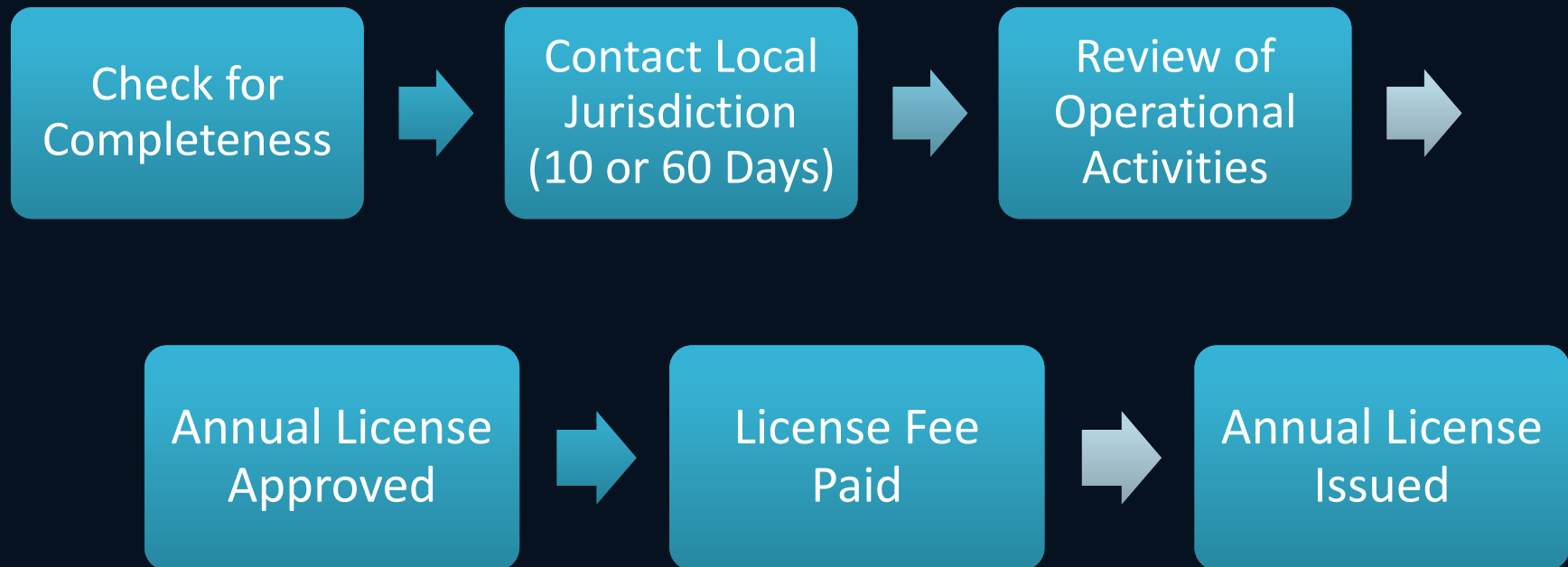
Premises address
Manufacturing activities
Gross annual revenue
Product types

License Information

Manufacturing procedures
Premises diagram
Surety bond
Property owner's authorization



How We Process Annual Applications



Application & Licensing Fees

Application Fee

Paid when application is submitted

License Fee

Paid when application is approved

- Seven scaled tiers
- Based on gross annual revenue of the licensed premises



Thank You

California Department of Public Health
Manufactured Cannabis Safety Branch

www.cdph.ca.gov/mcsb

mcsb@cdph.ca.gov





**BUREAU OF
CANNABIS
CONTROL**
CALIFORNIA

Licensing Workshop

Temporary Licenses

- No fee
- Valid for 120 days
- May be extended for an additional 90 days upon submission of a complete annual license application
- Will no longer be issued or extended after December 31, 2018
- Temporary licenses with an expiration date after December 31, 2018 are valid until the listed expiration date

License Types

- Retail
- Retail (Non-Storefront)
- Distributor
- Distributor (Transport Only)
- Testing Laboratory
- Microbusiness
- Event Organizer
- Temporary Cannabis Event

Retail

Retailers (Type 10):

- Sells cannabis goods to customers at its premises or by delivery
- A retailer must have a licensed physical location (premises) where commercial cannabis activities are conducted

Retail Non-Storefront (Type 9):

- Sells cannabis goods to customers by delivery
- A non-storefront retailer must have a licensed premises, but it is not open to the public

Distribution

Distributor (Type 11):

- Transports cannabis goods between all license types
- Arranges for laboratory testing of cannabis goods
- Quality assurance review of cannabis goods to ensure compliance with all packaging and labeling requirements
- Storage of cannabis goods

Distribution

Distributor - Transport Only (Type 13):

- Transports cannabis goods between the following license types:
 - Cultivators
 - Manufacturers
 - Distributors
- May not transport cannabis goods to retailers (except for immature live plants and seeds from a licensed nursery)
- Does not engage in any other distributor activities

Testing Laboratory (Type 8)

- Collects samples of cannabis goods from distributors and performs laboratory testing
- Testing laboratories must obtain and maintain ISO/IEC 17025 accreditation
- Testing laboratories may be issued a provisional license allowing them to operate while they obtain ISO/IEC accreditation (provided they meet all other licensure requirements)
- May not hold any other license types

Microbusiness (Type 12)

- Allows the licensee to engage in the following commercial cannabis activities (at least three):
 - Cultivation (<10,000 sqft)
 - Manufacturing (Type 6: Non-Volatile Manufacturing)
 - Distribution (Type 11 or 13)
 - Retail (Type 9 or 10)
- Microbusiness licensees must comply with all rules and regulations adopted by the California Department of Food and Agriculture (CalCannabis) and/or California Department of Public Health (MCSB)

Event Organizer (Type 14)

- Allows the licensee to hold cannabis events
- A **Temporary Cannabis Event License** is required for each event
 - Must be held on the grounds of a county fair or district agricultural association
 - Single day or up to 4 consecutive days
 - Allows on-site sale and consumption of cannabis goods
 - No alcohol consumption within the event premises

Temporary License Requirements

- ✓ **Local approval**
- ✓ **Right to occupy**
 1. Rental agreement or deed
 2. Landowner approval document
- ✓ **Premises diagram**

Annual License

- Annual licensing fee
 - *The annual licensing fee for each license shall be paid by an applicant or licensee after the Bureau has approved the application. The Bureau shall not issue the license until the annual licensing fee has been paid.*
 - License fees range from \$500- \$200K
- Valid for 1 year from the issuance date.

Apply for an Annual License

- Submit a paper application
- Apply online at www.bcc.ca.gov
- Transition from temporary to annual application

Transition from Temporary to Annual Application Video Tutorial

- Can be found at www.bcc.ca.gov
- Under the Video Tutorial Tab
- Applying for License



E-Learning

- ▶ [Navigating the BCC Website - Video](#)
[Click here for the PDF Quick Reference Guide](#)
- ▶ [Overview of the BCC Website](#)
[Click here for the PDF Quick Reference Guide](#)
- ▶ [Registration & Account Management - Video](#)
[Click here for the PDF Quick Reference Guide](#)
- ▶ [Applying for License](#)
 - [Temporary License Application Video](#)
 - [Annual License Application Video](#)
 - [Temporary to Annual Application Transition Video](#)
[Click here for the PDF Quick Reference Guide](#)
- ▶ [Paying for Fees - Video](#)
[Click here for the PDF Quick Reference Guide](#)
- ▶ [File a Complaint - Video](#)
[Click here for the PDF Quick Reference Guide](#)

Annual License Requirements

✓ Additional Annual Application Info:

- ✓ Business
- ✓ Individual Owners
- ✓ Financial Interest Holders
- ✓ Premises
- ✓ Business Operating Procedures

Business Information

- Name, DBA, all fictitious business names
- Organizational Structure
- Contact Information
- Declarations
- CEQA
- Seller's Permit Number
- Licensing Fee Determination
- Labor Peace Agreement

Individual Owners

- Identifiable Information
- Ownership Percentage
- Government-Issued Identification
- Fingerprints
- List of Convictions (if applicable) and a Statement of Rehabilitation

Financial Interest Holders

-
- “Persons with a financial interest” means an investment into a cannabis business, a loan provided to a cannabis business, or any other equity in a cannabis business that is not qualified as an owner. It does not include persons whose only interest in a licensee is an interest in a diversified mutual fund, blind trust, or similar instrument.
 - The applicant must provide the following information for all non-owners with a financial interest:
 - Name,
 - Date of Birth,
 - Government-Issued Identification and Identification Number.

Premises

- Physical Address
- Premises Diagram
- Evidence of the right to occupy:
 - Provide a document from the landowner or the landowner's agent that states that the applicant has the right to occupy the property and acknowledges that the applicant may use the property for the commercial cannabis activity for which the applicant is applying for licensure.
 - Provide a copy of the rental agreement
 - If the applicant is the landowner of the real property upon which the premises is located, the applicant shall provide to the Bureau a copy of the title or deed to the property.

Business Operating Procedures

- All licensee applications shall include a detailed description of the applicant's operating procedures.
 - Transportation Procedures
 - Inventory Procedures
 - Non-Laboratory Quality Control Procedures
 - Security Procedures
 - Cannabis Waste Management Procedures
 - Delivery Procedures

Business Operating Procedures (Continued)

- Please see the following link to the Bureau's proposed procedure forms.
https://bcc.ca.gov/law_regs/cannabis_docs_forms.pdf
 - *These forms are not currently required, but may be used as a guide when evaluating/preparing your operating procedures.*
- For applicants applying for a microbusiness license, the application shall include a detailed description of the applicant's operating procedures required by this section **for each cannabis activity** the applicant intends to engage in.
- For applicants applying for a testing laboratory license, in addition to the operating procedures, the standard application shall include the operating procedures required by chapter 6 of the California Code of Regulations Title 16 Division 42. Bureau of Cannabis Control.

Licensing Tools

- Additional licensing tools can be found at www.bcc.ca.gov.
- Under the application forms tab.
- Select Additional Forms
- Additional Bureau Forms Available:
 - Premises Diagram Form
 - Owner Submittal Form
 - Financial Information Form
 - Licensee Bond Form



Application Forms

[Retailer](#) ▶

[Distributor](#) ▶

[Microbusiness](#) ▶

[Testing Laboratory](#) ▶

[Cannabis Event Organizer](#) ▶

[Additional Forms](#) ▼

- ▶ [Premises Diagram](#)
- ▶ [Instructions for Completing the Owner Submittal](#)
- ▶ [Owner Submittal](#)
- ▶ [Financial Information Form](#)
- ▶ [Licensee Bond Form](#)

Temporary License Expiration

- The Bureau shall not issue any temporary licenses after December 31, 2018. Any temporary license issued or extended with an expiration date after December 31, 2018 will be valid until it expires.
- Following expiration; a licensee shall immediately cease conducting all commercial cannabis activities until the annual license has been issued.
- Under the proposed regulations the Bureau shall not issue any temporary licenses or extensions after December 31, 2018.
- For fast and efficient licensure please submit requested items timely.

FAQs



FAQs

- **What are the Bureau's processing timeframes?**

- The Bureau is unable to provide timelines as our applications are dependent on many factors. All applications are reviewed in the order received, with priority processing being given to those applicants that are deemed eligible.

- **What happens if my business ownership changes?**

- Any changes in your business ownership will require the submission of a new application. All fees are non-transferable or refundable.

FAQs (Continued)

- **When can I register for Track and Trace?**
 - Upon submission of your annual application each owner will receive a notice that will include instructions on how to register for the Track and Trace-(Metrc) training.
- **How do I provide additional application information to the Bureau?**
 - If there are incomplete items associated with your application you will receive email correspondence from an Analyst in the Bureau's Licensing Unit. You can respond directly to the email and include any application attachments.
- **Do applicants need to submit the financial information form if the answers to everything are no?**
 - All fields of the Financial Information form need to be completed. If a specific question does not apply to you, please indicate "N/A" in the designated field.

FAQs (Continued)

- **There are several applicants and/or licensees operating from the same location as me. What information do I need to provide the Bureau regarding my premises diagram?**
 - If there are one or more businesses operating from the same location as you, your premises diagram should identify the surrounding businesses and any common/shared areas.
- **Do I have to submit a Surety Bond?**
 - All licenses must have an executed surety bond payable to the State of California in the amount of \$5,000. Each licensing authority has a designated form, and a bond must be provided for each license held.

We're Here to Help!

- The Bureau's email address bcc@dca.ca.gov
- The California Cannabis Portal: <https://cannabis.ca.gov/>
- The Bureau's Call Center: (833)768-5880
- Subscribe to receive our email alerts. (subscribe at www.bcc.ca.gov)
- Social Media
 - Facebook
 - Twitter
 - Instagram

Questions?
