

# Regulatory Text Modifications

The Department of Cannabis Control (DCC) adopted emergency regulations on September 27, 2021, to consolidate, clarify, and make consistent cannabis regulations pursuant to Business and Professions Code section 26013, subsection (b)(1).

This chart provides a general overview of key regulatory provisions and policy changes made in the emergency regulations adopted in September 2021 and the proposed changes contained in the certificate of compliance regulations that were noticed on March 4, 2022. The chart also outlines proposed modifications to the certificate of compliance regulation text following the 45-day comment period. Notice of the proposed modifications was provided on July 6, 2022. Additional changes may be proposed through the rulemaking process, as a result of public comment.

Section Topic	Changes Made in Emergency Rulemaking (Adopted Sept. 27, 2021)	Proposed Changes in Certificate of Compliance Rulemaking (Noticed March 4, 2022)	Modifications to Proposed Changes in Certificate of Compliance Rulemaking (Noticed July 6, 2022)
<p><b>Definitions §15000</b></p>	<p>Contains definitions applicable to all license types. Includes definitions created by DCC and repeats important definitions from the Act.</p>	<p>Amended definition of immature plant to include tissue containers.</p> <p>Amended definition of manufacture to clarify that post-extraction processing means a process by which one or more active cannabinoids in cannabis concentrate are further concentrated either by chemical or physical means.</p> <p>Amended definition of tincture to clarify vegetable includes botanically classified fruits and vegetables and their seeds.</p>	<p>Amended definition of cannabis concentrate to replace definition of kief with the word and add butter.</p> <p>Amended definition of cannabis goods to specify that they are goods packaged and labeled as they will be sold at retail.</p> <p>Amended definition of final form to clarify that it refers to cannabis and cannabis products that are in the form in which they will be consumed or used.</p> <p>Amended definition of mixed-light cultivation to remove light</p>



			<p>deprivation and align with statute.</p> <p>Amended nonmanufactured cannabis products to include final form items that contain paper.</p> <p>Amended definition of outdoor cultivation to remove exclusion of light deprivation and align with statute.</p> <p>Adds sifting to activities included in definition of processing.</p> <p>Adds definition of terpenes to clarify that term includes terpenoids, flavonoids, polyphenols, and other naturally occurring phytochemicals and secondary metabolites. Subsequent subsections have been renumbered accordingly.</p>
<p><b>General Requirements §15000.1</b></p>	<p>Requires persons conducting commercial cannabis activity to obtain and maintain a valid license for each separate premises where commercial cannabis activity is conducted.</p> <p>Requires commercial cannabis activity to be conducted between licensees but allows retail licensees to conduct sales to customers and nonprofits.</p>		



	<p>States that a licensee shall only conduct commercial cannabis activities authorized by their license on the premises licensed for that activity.</p> <p>Requires all transfers of cannabis and cannabis products shall be conducted by a licensed distributor.</p> <p>States that licenses shall not be transferrable or assignable to another person or premises.</p> <p>Requires applicants and licensees to use their legal business name on all documents related to commercial cannabis activity.</p>		
<p><b>A- and M- Designations §15000.2</b></p>	<p>Contains the requirements specific to adult-use and medicinal cannabis licenses.</p> <p>States that licensees may conduct business with other licensees irrespective of the Adult-Use or Medicinal designation on their licenses.</p> <p>Provides that licensed distributors or microbusinesses engaging in distribution activities may only transport medicinal cannabis goods to a retail licensee with a medicinal designation on their license.</p>		



	Provides that a retail licensee may only sell medicinal cannabis goods to medicinal customers.		
<b>Premises Location §15000.3</b>	<p>A licensed premises shall not be in a location that requires persons to pass through a business that sells alcohol or tobacco or a private residence to access the licensed premises.</p> <p>A licensed premises shall not be in a location that requires persons to pass through the licensed premises to access a private residence or business that sells alcohol or tobacco.</p> <p>A licensed premises shall not be located within a private residence with the exception of cultivation licensees.</p> <p>Requires licensees to provide the DCC with immediate access to their licensed premises and that denial of access is subject to discipline.</p> <p>Provides that nothing in this section shall be interpreted to prohibit two or more licensed premises from occupying separate portions of the same parcel of land or sharing common use areas (e.g., bathroom, breakroom, hallway, building entrance).</p>	<p>Amended to prohibit the inclusion of the living areas of a private residence on the premises.</p> <p>Creates carve-out allowing for living areas of private residence to be included on diagram as part of premises if required by local jurisdiction. Specifies that commercial cannabis activity cannot occur in the living areas.</p> <p>Removes shipping containers and modular buildings that are not affixed to the land from structures that are not considered permanent. Extends to cultivators requirement that structures be affixed to the land by a method that would cause the structure to remain affixed for an indefinite period of time.</p> <p>Adds prohibition on personal cultivation occurring on the licensed premises.</p> <p>Provides six-month grace period for licensees to come into compliance.</p>	<p>Clarifies that nothing in section prohibits a licensee from utilizing the living areas of a private residence for non-commercial cannabis activity such as staff breaks.</p> <p>Clarifies areas of a private residence that are not considered to be living areas may include garages, offices, sheds, barns, and other areas regularly used for commercial cannabis activity.</p> <p>Clarifies that structures must be permanent structures including buildings, barns, sheds, shipping containers, and modular buildings, and removes requirement that they be affixed to the land.</p> <p>Amended to create exemption to prohibition on personal cultivation if required by the local jurisdiction to include the whole land parcel. Requires personal cannabis to be cultivated and maintained separately and distinctly from commercial cannabis and prohibits personal</p>

	Requires that all structures included as part of the licensed premises be permanently affixed to the land and provides examples of structures that are not considered to be permanent structures. This provision is not applicable to cultivation licensees.		cannabis from coming into contact with commercially cultivated cannabis.
<b>Subletting of Premises §15000.4</b>	Prohibits subletting except for manufacturing licensees operating as a licensed shared-use facility in accordance with requirements for shared-use facilities in Article 2, Chapter 8.		
<b>Licensee's Responsibility for Acts of Employees and Agents §15000.5</b>	Provides that a licensee is responsible for the acts, omissions, or failures of persons acting on behalf of the licensee and within the scope of their employment.		Non-substantive edits to remove gender identifying language.
<b>Age Restriction §15000.6</b>	Provides that employees or persons retained by a licensee to work within or on a licensed premises, or handle cannabis or cannabis products, shall be at least 21 years of age.		
<b>Storage of Inventory §15000.7</b>	Requires all cannabis inventory stored on a licensed premises to be secured in a limited-access area.  Prohibits a licensee from storing cannabis goods	Amended to specify break rooms, changing facilities, and bathrooms must be separated from all storage areas by solid walls extending from floor to ceiling.	Removes requirement for storage area to be separated from a break room by a solid wall extending from floor to ceiling.

	<p>outdoors. This only applies to cannabis goods which is defined as cannabis and cannabis products in final form.</p> <p>Requires employee break rooms, changing facilities, and bathrooms to be separate from all storage areas.</p> <p>Requires all cannabis and cannabis products to be stored on a licensed premises.</p>	<p>Adds provision to allow use of shipping containers as temporary storage space on a licensed premises.</p>	<p>Requires that break areas, if any, be separate and distinct from areas where cannabis and cannabis products are stored.</p> <p>Clarifies that in addition to shipping containers used as part of the premises, licensees may use additional containers as needed for temporary storage space by notifying the Department.</p>
<p><b>Appellations of Origin</b>  <b>§15000.8-15000.10</b></p>		<p>Adds requirements for using appellations of origin.</p> <p>Requires licensee to submit a Notice of Use within 30 days of use of the appellation.</p> <p>Adds requirements for labeling, advertising, and marketing cannabis and cannabis products with an appellation of origin.</p>	<p>Makes technical, non-substantive edit.</p>
<p><b>Provisional Licenses</b>  <b>§15001</b></p>	<p>Provides that a provisional licensee shall follow the rules and regulations applicable to a licensee holding an annual license of the same type.</p> <p>Provides that a provisional license does not create a vested right in the holder to renewal of the provisional license or issuance of an annual license.</p>		

	<p>Enables DCC to cancel a provisional license in certain circumstances, including issuance of an annual license, denial of an annual license, abandonment of an application for licensure, withdrawal of an application for licensure, or surrender of the provisional license.</p> <p>Informs provisional licensees that they may only continue to maintain a provisional license if they are actively and diligently pursuing requirements for an annual license. This includes paying the license fee within 60 days. Plus providing all requested information to DCC or a statement why it cannot be provided due to circumstances beyond their control by response date or within 30 days if no response date is provided.</p> <p>Informs prospective licensees that when DCC decides not to issue a provisional license to the applicant, they are not entitled to a hearing or an appeal of the decision.</p> <p>Informs applicants that no provisional license issued by DCC shall be effective after January 1, 2026.</p>		
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<p><b>Issuance of Provisional License §15001.1</b></p>	<p>Outlines the general timelines for issuance of non-cultivation provisional licensees; cultivation provisional licensees; and equity licensees.</p>		
<p><b>Renewal of Provisional License §15001.2</b></p>	<p>Requires provisional licensees to comply with the renewal procedures in section 15020 and the requirements of section 15001.2.</p> <p>Outlines additional information required for provisional license renewals based on when the provisional license is renewed.</p> <p>Specifies certain circumstances when DCC will not renew a provisional license authorizing cultivation.</p>		
<p><b>Notice of Provisional License Review §15001.3</b></p>	<p>Requires DCC to notify the provisional licensee that it is considering revoking, suspending, or denying renewal of the provisional license. Provides them an opportunity to provide information related to the proposed action for consideration by the DCC.</p> <p>Provides that DCC issue a Notice of Provisional License Review to the licensee for failure to comply with MAUCRSA or its implementing regulations.</p>		

	<p>Provides that the Notice of Provisional License review shall be in writing and describe the nature and facts of each violation, including a reference to the statute or regulation violated; the manner in which the provisional licensee must correct the violation(s) to achieve compliance; that DCC is considering the possibility of suspending, revoking, or denying the provisional licensee’s renewal; and that the provisional licensee may request an informal meeting and provide DCC with information related to the observed violations and potential license action for DCC’s consideration during its provisional license review.</p>		
<p><b>Immediate Suspension of Provisional License §15001.4</b></p>	<p>Allows DCC to take immediate action on provisional licensees to safeguard the public health, safety, and welfare, in relation to a provisional license.</p> <p>Provides that DCC may immediately suspend any provisional license or impose licensing restrictions upon any provisional licensee if permitting the provisional licensee to continue to engage in licensed activity would endanger the public</p>		

	<p>health, safety, or welfare.</p> <p>Provides that the immediate suspension of a provisional license be in writing and what the suspension notice must describe.</p> <p>Provides that following the issuance of an Immediate Suspension under this section, DCC shall serve the provisional licensee with a Notice of Provisional License Review pursuant to section 15001.3.</p>		
<p><b>Annual License Application Requirements §15002</b></p>	<p>Contains the general requirements for an application for a cannabis license.</p> <p>Removes military priority processing.</p> <p>Removes requirements for information about other state cannabis licenses.</p> <p>Limits submittal of business-formation documents to documents not available through the Secretary of State, including operating agreements, bylaws, and other documents that establish ownership or control over the business, upon request.</p> <p>Removes the requirement to provide financial information including a list of funds,</p>	<p>Reincorporates requirement to provide a copy of the signature page of the labor peace agreement if the business has entered into one.</p>	<p>Adds clarification that assessor parcel number is an option for address or location of the premises.</p> <p>Amended to remove height as a requirement for government-issued identification.</p> <p>Amended to add passport as government-issued identification.</p>

	<p>loans, investments, and gifts.</p> <p>Specifies required disclosures for financial interest holders that are individuals and that are business entities.</p> <p>Updates labor peace agreement requirements to include notarized statement for employer with less than 20 employees.</p> <p>Updates consistent with AB 2138 not requiring disclosure of convictions and making rehabilitation information voluntary.</p> <p>Allows one bond for all licenses with total amount equaling \$5,000 per license, rather than a separate bond for each license.</p>		
<p><b>Temporary Cannabis Event Application §15002.1</b></p>	<p>Contains general requirements for a temporary cannabis event license application.</p>	<p>Adds requirements for disclosure of all licensees participating in the event and all areas where cannabis and cannabis products will be displayed or sold.</p> <p>Removes requirement for employees of retailers to be disclosed.</p> <p>Adds requirements for non-cannabis vendors to be disclosed.</p> <p>Adds requirement for a designated limited-access area.</p>	<p>Amended to allow for the assessor parcel number or a street description if no address exists for the location where the temporary cannabis event will be held.</p> <p>Non-substantive amendment to divide subsections regarding disclosure of licensees and non-licensee vendors participating in an event.</p>



<p><b>Owners of Commercial Cannabis Businesses §15003</b></p>	<p>Specifies who is considered an owner.</p> <p>Provides examples of individuals who are considered to manage, direct, or control the operations of a commercial cannabis business and would be considered owners who would assume responsibility for the license.</p> <p>Provides that, where a commercial cannabis business is owned in whole or part by an entity, and the entity includes individuals who manage, direct or control the operations of the commercial cannabis business, those individuals must also be disclosed as owners.</p> <p>Provides that upon notification by DCC, an applicant or licensee must disclose additional individuals as owners and submit the required ownership information or, in the alternative, demonstrate that the individual does not qualify as an owner.</p>		
<p><b>Financial Interest in a Commercial Cannabis Business §15004</b></p>	<p>Clarifies what individuals are considered financial interest holders of a commercial cannabis business, including a person with an aggregate ownership interest of less than 20 percent; a person</p>	<p>Adds a person that has entered into an intellectual property licensing agreement for a share of the profits as an example of individuals who are considered financial interest holders of a</p>	

	<p>providing a loan to the commercial cannabis business; a person that contracts with the cannabis business to cultivate, manufacture, package or label cannabis goods under their brand name; and a person entitled to receive 10 percent or more of the profits of the commercial cannabis business.</p> <p>Clarifies that banks and other financial institutes that provide loans; individuals whose only financial interest is through an interest in a diversified mutual fund, blind trust, or similar instrument; individuals whose only financial interest is a security, lien, or encumbrance; and individuals who hold a share of stock that is less than 10 percent (formerly 5 percent) of the total shares in a publicly traded or privately held company are not required to be identified as a financial interest in the commercial cannabis business.</p>	<p>commercial cannabis business.</p>	
<p><b>Independence of Testing Laboratories §15004.1</b></p>		<p>New section clarifies testing laboratory must be independent from persons that hold a license or an interest in a commercial cannabis business licensed for</p>	



		<p>any activity other than testing.</p> <p>Prohibits laboratory from leasing real or personal property from a licensee for any activity other than testing.</p> <p>Prohibits laboratory from employing any person employed by a licensee for any activity other than testing.</p> <p>Prohibits laboratory from employing an owner or financial interest holder of a licensee for any activity other than testing.</p> <p>Prohibits laboratory from offering or agreeing to provide preferential treatment, including discounted testing services, to any other licensee unless the offer or agreement is available to all licensees.</p>	
<b>Personnel Prohibited from Holding Licenses §15005</b>	Prohibits state officials and employees, as well as peace officers from ownership, directly or indirectly, in a license.		
<b>Premises Diagram §15006</b>	<p>Requires the boundaries of the property, or parcel of land, and the proposed premises. Note - a premises may occupy only a portion of the property.</p> <p>Some requirements include diagram be to scale, show areas where commercial cannabis</p>	<p>Removes requirement for diagram to be in black and white and not contain any highlighting.</p> <p>Removes requirement for the premises to have designated areas for physically segregating cannabis or nonmanufactured</p>	<p>Amended to clarify that the dimensions required on the diagram are the dimensions of the boundaries of the premises to readily identify the bounds of the premises.</p> <p>Amended to clarify the diagram must be to</p>

	<p>activities will occur, show any shared areas and separate entrances if more than one licensee is on the property.</p> <p>Contains additional requirements for cultivators.</p>	<p>products subject to an administrative hold.</p> <p>Adds requirement for inclusion on diagram of a closed-loop extraction system's location and serial number.</p>	<p>scale to readily determine the bounds of the premises.</p> <p>Amended to clarify canopy dimensions.</p> <p>Amended to clarify harvested cannabis storage areas may not be shared among multiple licenses held by one licensee.</p>
<p><b>Landowner Approval §15007</b></p>	<p>Requires landowner approval indicating the applicant has the right to occupy the property and acknowledging the property may be used for commercial cannabis activity for which the license is sought.</p> <p>Requires a copy of the lease if there is one.</p> <p>Requires a copy of the deed or title to the property if the applicant owns it.</p>		
<p><b>Limited Waiver of Sovereign Immunity §15009</b></p>	<p>Applies to applicants and licensees of all licenses issued by DCC and contains the same language from prior regulations.</p>		
<p><b>Compliance with the California Environmental Quality Act (CEQA) §15010</b></p>	<p>Provides that applicants may refer to the appropriate environmental review considerations in CEQA and its implementing guidelines.</p> <p>Provides that an applicant must provide certain information to enable DCC to determine</p>		



	<p>the scope of environmental review under the CEQA Guidelines including evidence of CEQA compliance or license specific information that would enable DCC to determine the appropriate level of environmental review under CEQA.</p> <p>Allows DCC to charge the applicant for costs to prepare any supplemental environmental review, including DCC's costs for procedures to comply with CEQA unless DCC specifies otherwise.</p> <p>Repeals prior CEQA forms and provides for a new CEQA form for use by all license types.</p>		
<p><b>Additional Information §15011</b></p>	<p>Consolidates application requirements that are unique to specific license types.</p> <p>Amended provisions related to evidence of vehicle ownership for distributors, retailers, and testing laboratories.</p> <p>Limits required operating procedures to be provided upon request for manufacturers, distributors, retailers, and testing laboratories (certain SOPs). Provides they may be requested during application</p>	<p>Removes requirement for cultivators to provide a minimum of two hours of operation between 8:00am and 5:00pm on each day, Monday through Friday.</p> <p>Removes requirement to provide a document evidencing approval of an extraction operation by a local fire code official at time of application.</p> <p>Limits required operating procedures to be provided upon request for manufacturers,</p>	<p>Amended to allow applicants to include annual scheduled closure periods for their site.</p>

	process or anytime thereafter.	distributors, retailers, and testing laboratories (certain SOPs). Consolidates SOPs into one form.	
<b>Incomplete and Abandoned Applications §15012</b>	<p>Provides that DCC will issue a notice informing the applicant when their application is incomplete and identifying the missing information.</p> <p>Provides application will be deemed abandoned if the information is not provided within 180 days of notice.</p> <p>Requires payment of license fee within 60 days or application is deemed abandoned.</p> <p>States application fees will not be refunded for abandoned applications.</p> <p>Provides applicant may reapply following an abandoned application through new application and fee.</p>		
<b>Withdrawal of Application §15013</b>	<p>Allows for withdrawal any time prior to the issuance or denial of license.</p> <p>Provides withdrawal does not prevent DCC from proceeding with a denial action.</p> <p>States application fees will not be refunded for withdrawn applications.</p> <p>Provides applicant may reapply following a withdrawn application</p>		



	through new application and fee.		
<b>Fees §§15014-15015</b>	Makes fee for all licenses for premises modification consistent at \$500. Exempts cultivators.  Specifies how licensing fees may be paid.  Outlines penalty fees for failure to pay the appropriate license fee which includes balance of fee and 50% penalty.		Makes technical, non-substantive edit.
<b>Substantially Related Offenses and Criteria for Rehabilitation §15017</b>	Incorporates Assembly Bill 2138 modifications to ensure regulations match with current statute.		
<b>Additional Grounds for Denial of a License §15018</b>	Adds that an application is subject to denial if the applicant denied DCC access to the property identified in the application as the premises.		
<b>Renewal of License §15020</b>	Clarifies that if a licensee does not submit a complete renewal within 30 days after the expiration of the license forfeits their eligibility to renew the license and will be required to submit a new license application.  Clarifies late renewal fees of 50% for all license types.		
<b>Denial of License §15021</b>	Adds provisions that allow individuals to send		

	<p>hearing requests to DCC by electronic mail.</p> <p>To be consistent with Assembly Bill 2138, the section provides that where an application is denied due to an owner’s conviction history, the DCC will notify the applicant of this fact and provide information on how to request a copy of their conviction history and how to question the accuracy of the record.</p>		
<p><b>Business Modifications §15023</b></p>	<p>Requires all licensees to use the DCC-LIC-027 for Notifications related to Labor Peace Agreements, ownership, A- and M- designation, business names, and financial information.</p> <p>Specifies that licenses are not transferrable or assignable to another person.</p> <p>Maintains prior ownership change rules that allow a licensee to add new owners and continue operating so long as at least one existing owner will remain under the new ownership structure. This means that when a person/entity such as a corporation is the holder of the license, new owners such as a new CEO, Director, President, etc., may be added to the license without submitting an entirely</p>		<p>Non-substantive edits to remove gender identifying terms.</p> <p>Amended to clarify that following a change in ownership, the former owner’s inventory shall be transferred to the new owner’s track and trace account upon issuance of the license.</p>

	<p>new application because the license will still be held by the same corporation. If the commercial cannabis business is being bought by a new person, such as a new corporation, a new application is required.</p>		
<p><b>Death, Incapacity, or Insolvency of a Licensee §15024</b></p>	<p>Consolidates and makes consistent existing sections regarding the death, incapacity, or insolvency of a licensee.</p>		
<p><b>Cannabis and Cannabis Products After Termination of License §15024.1</b></p>	<p>Allows for sale of stock of cannabis and cannabis products after termination of license.</p> <p>Provides the process for a licensed distributor or microbusiness authorized to engage in distribution to request authorization for procuring cannabis and cannabis products.</p> <p>Specifies where the cannabis and cannabis products procured under this section may be transported to.</p>		
<p><b>Additional Premises Requirements for Retailers and Microbusinesses Engaging in Retail §15025</b></p>	<p>Amended to apply specifically to retailers and microbusinesses authorized to engage in retail.</p> <p>Prohibits alcoholic beverages from being stored or consumed on the premises.</p> <p>Requires that a licensed retailer or microbusiness authorized to conduct</p>		



	retail sales that is next to a manufacturing, cultivation, or distribution premises be separated from those premises by walls, and all doors to the other premises must remain closed. The plain meaning of walls applies here. For reference the definition of wall includes the following: one of the sides of a room or building connecting floor and ceiling or foundation and roof.		
<b>Modification of Premises Operations §15027</b>	Licensees must submit DCC-LIC-027 for modifications to premises and pay \$500 fee.  Exception: cultivators must submit through the online system and are not required to pay a fee.	Amended title of section to include modification of operations.  Streamlines modification process by specifying modifications for each license type that require prior approval by DCC and allows for notification of modifications where prior approval is unnecessary.	Amended to provide all licensees with the option of submitting requests and notifications of business modifications through the online licensing system or by submitting a form.
<b>Significant Discrepancy in Inventory §15034</b>	Section only applies to licensed retailers, licensed distributors, or licensed microbusinesses authorized to engage in retail or distribution.	Applies to all licensees.	
<b>Notifications of Criminal Acts, Civil Judgments, Violations of Labor Standards, and Revocation of a Local License,</b>	Consolidates and clarifies existing language regarding notifications to DCC of criminal convictions of any owner, civil penalties or judgments rendered against the licensee or any owner,		Amended to require licensee to notify the Department of revocation of a local license held by the licensee or any owner in their individual capacity.

<p><b>Permit, or Other Authorization After Licensure §15035</b></p>	<p>administrative orders or civil judgments for violations of labor standards, or a revocation of a local license, permit or other authorization.</p>		
<p><b>Notification of Theft, Loss, and Criminal Activity §15036</b></p>	<p>Consolidates and clarifies requirements for a licensee to notify DCC and local law enforcement of the discovery of a significant discrepancy in inventory, diversion, theft, loss, or criminal activity.</p>		
<p><b>General Record Retention Requirements §15037</b></p>	<p>Defines what must be stored and maintained as a record –financial records; personnel records; training records; contracts; local authorizations; documents prepared or executed by licensee in connection with the commercial cannabis business; and those required by MAUCRSA or regulations.</p> <p>Records must be kept for at least 7 years.</p> <p>Records may be electronic or in hard-copy.</p> <p>Records must be legible, accurate and not contain intentional misrepresentation or false information.</p> <p>Records must be stored in an area protected from debris, moisture, contamination,</p>		



	hazardous waste, and theft.		
<b>Disaster Relief §15038</b>	Specifies the information that licensees must provide to DCC when requesting relief pursuant to this section.		
<b>License Posting Requirement §15039</b>		Section extended to all Department licensees.	Non-substantive grammatical edit.
<b>Posting and Advertising §§15040-15041.7</b>	<p>Provides guidelines regarding how licensees may ensure their advertising and marketing is tailored to appropriate audiences and not children (i.e., ensuring advertising is not “attractive to children”).</p> <p>Removes approval process for branded merchandise only applicable to former Bureau of Cannabis Control licensees.</p> <p>Specifies licensees shall not advertise free cannabis goods or accessories. Note - BPC §26153 prohibits a licensee from giving away any amount of cannabis or cannabis products, or any cannabis accessories, as part of a business promotion or other commercial activity. Trade samples are not considered a business promotion or other commercial activity.</p>	Adds Prohibited Business Promotions §15040.2 to clarify licensees shall not give away any amount of cannabis or cannabis products, or any cannabis accessory, as part of a business promotion and specifying licensees may not hold raffles or sweepstakes as part of a business promotion.	<p>Amended §15040.1 to apply to all licensees and specifies licensees shall not market and advertise cannabis goods that are labeled with terms used to describe alcohol. The section also clarifies that the section does not prohibit the use of a company name or brand name that is also associated with alcohol, provided the cannabis goods meet the requirements of the section.</p> <p>Amended to remove expired grace period on branded merchandise.</p>

	<p>Provides additional clarification regarding branded merchandise license number requirements – license number must be permanently affixed to branded merchandise, be legible, and clearly visible from outside of merchandise beginning January 1, 2022.</p> <p>Specifies that advertising and marketing, including branded merchandise must not be attractive to children.</p> <p>Removes prohibition against giving away any type of products; limit on promotions applies to cannabis, cannabis goods, and cannabis accessories.</p>		
<p><b>Trade Samples §§15041.2-15041.7</b></p>	<p>Defines what constitutes a trade sample and provides general provisions related to trade samples.</p> <p>Provides once designated as trade samples the designation cannot be changed.</p> <p>Provides that distributor-transport only, testing laboratories, and cannabis event organizers may not provide or receive trade samples. Retailers may receive but not provide trade samples.</p>	<p>Amended to clarify requirements for providing trade samples to a licensee’s employees.</p> <p>Amended to allow immature plants, seeds, and propagated material to be provided as trade samples by nurseries.</p>	<p>Amended to allow licensees to change the designation of trade samples to medicinal donation.</p>

	<p>Provides the rules regarding the consumption of cannabis goods that have been designated as trade samples, including that they must be tested, packages as required by MAUCRSA, and have the required trade sample language on the package.</p> <p>Provides the quantity limits for designating and providing trade samples.</p> <p>Clarifies which type of cannabis goods cannot be used as trade samples.</p>		
<p><b>Premises Access Requirements §15042</b></p>	<p>Applies to all DCC licensees including cultivators and manufacturers.</p> <p>Requires for all premises not open to the public that the licensee establish and implement an identification and sign-in/sign-out procedure for all persons accessing the premises, including authorized individuals, suppliers, and visitors. Note - only licensed retailers and microbusinesses authorized to engage in onsite retail sales are open to the public.</p> <p>Licensees must ensure that only employees of the licensee and other authorized individuals</p>		



	<p>access the limited-access area of the premises. Note - limited-access area is defined in section 15000(II) and means an area in which cannabis or cannabis products are stored or held and is only accessible to a licensee and authorized persons.</p> <p>Provides that individuals who are not employees, must be escorted by an employee of the licensee at all times while within the limited-access area.</p> <p>Licensees must maintain a record of all authorized-individuals who are not employees of the licensee who enter the limited-access areas. The record must include the name of the individual, the company the individual works for, the reason the individual entered the limited-access area, the date, and the time the individual entered and exited. These records must be made available to DCC immediately upon request.</p> <p>Prohibits a licensee from receiving consideration or compensation for permitting an individual to enter the limited-access areas.</p>		
<b>Security Plan for Licensed</b>	Requires licensed manufacturer to develop		



<b>Manufacturers §15042.1</b>	and implement a written security plan.		
<b>Licensee Employee Badge Requirement §15043</b>	Requires all employees, agents, officers, or other persons acting for a licensee, who is participating in a temporary cannabis event to display a laminated or plastic-coated identification badge issued by the licensee at all times while engaging in commercial cannabis activity.		
<b>Video Surveillance System §15044</b>	<p>Does not apply to a premises authorized exclusively for cultivation activities or the cultivation area of a licensed microbusiness premises.</p> <p>Does not apply to licensed distributor-transport only licensees engaged in self-distribution whose premises is on the same parcel of land as their licensed cultivation premises.</p> <p>If multiple licensed premises are within the same building, a single video surveillance system covering the entire building may be used by all of the licensees if all licensees have immediate access to the surveillance recordings. If sharing, all licensees will be held responsible and subject to discipline for any</p>		



	violations of the video surveillance requirements.		
<b>Security Personnel §15045</b>	Licensed retailers and microbusinesses authorized to engage in retail sales who are open to the public must hire or contract for security personnel who are at least 21 years of age to provide onsite security services for the licensed premises during hours of operation.		
<b>Locks §15046</b>	Applies to all licensed premises except a licensed premises authorized exclusively for cultivation activities or the cultivation area of a licensed microbusiness.  Requires all limited-access areas and points of entry and exit to the licensed premises to be securely locked using commercial-grade, nonresidential door locks.		
<b>Alarm System §15047</b>	Applies to all licensed premises except a licensed premises authorized exclusively for cultivation activities or the cultivation area of a licensed microbusiness.  Licensees must maintain an alarm system that meets the specific requirements of this section.  If multiple licensed premises are within the		



	<p>same building, a single alarm system covering the entire building may be used by all of the licensees if all licensees are able to make available to DCC all information related to the alarm system, monitoring, and alarm activity. If sharing, all licensees will be held responsible and subject to discipline for any violations of the alarm system requirements.</p>		
<p><b>Track and Trace §§15047.1-15052</b></p>	<p>For clarity, includes definitions for “plant tag”, “package tag” and “wholesale cost”.</p> <p>Removes temporary license section, which is no longer necessary.</p> <p>Repealed prohibition on returns. Licensees may return cannabis and cannabis products in accordance with the provisions of MAUCRSA and the regulations.</p>	<p>Allows for batch harvesting and recording the wet weight of each harvest batch rather than each individual plant.</p> <p>Clarifies that tags may not be reused and how they are to be discarded.</p> <p>Adds §15052 clarifying requirements for returns.</p> <p>Allows returns between licensees for any lawful business purpose.</p> <p>Requires returned products to undergo a new round of testing and quality assurance prior to being transported to a retailer.</p>	<p>Removes “RFID-enabled” from definition of plant tag.</p>
<p><b>Storage Services §15301</b></p>		<p>Amended to allow cannabis goods held for storage-only to be distributed from the premises of the distributor providing storage-only services.</p>	

<p><b>Packaging, Labeling, and Rolling §15303</b></p>	<p>Eliminates packaging and labeling requirements as the packaging and labeling requirements for all licensees have been consolidated and placed in Chapter 11.</p>		<p>Amended to align requirements of pre-rolls by requiring distributors to package and label pre-rolls prior to regulatory compliance testing.</p>
<p><b>Regulatory Compliance Testing Results §15306</b></p>		<p>Amended to clarify requirements related to batches that fail regulatory compliance testing and remediation of those batches.</p> <p>Removes requirement for a printed copy of the certificate of analysis to accompany the batch and allows for it to be provided electronically.</p>	<p>Amended to specify that the distributor shall destroy a failed batch that cannot be remediated within 60 days of failure of the batch or within 30 days of receiving notification from the Department that the batch may not be remediated.</p>
<p><b>Quality-Assurance Review §15307</b></p>		<p>Amended to clarify requirements related to cannabis goods that are found to be not fit for sale during quality-assurance review.</p>	<p>Amended to clarify a distributor may relabel cannabis goods but repackaging or reprocessing cannabis must be done by a manufacturer.</p>
<p><b>Requirements for the Transportation of Cannabis and Cannabis Products §15311</b></p>		<p>Amended to clarify the licensee is not required to be the sole owner or lessor of the vehicle or trailer and all owners and lessors may use the vehicle for non-commercial cannabis activity.</p> <p>Clarifies motor carrier permit must be issued to the licensed distributor.</p> <p>Amended and makes less burdensome requirements for enclosing cannabis and cannabis products</p>	<p>Non-substantive edit for gender neutrality in text.</p>

		during transport. Requires a secured area that may be comprised on three sides of any part of the body of the vehicle.	
<b>Required Transport Vehicle Information §15312</b>	Specifies that upon request, licensees must provide DCC with information, such as year, make, and model, about each vehicle and trailer used to transport cannabis and cannabis products.		
<b>Shipping Manifest §15314</b>	Eliminates language regarding temporary licensees who do not have access to the track and trace system, as the language is no longer necessary.		
<b>Customer Access to the Retail Area §15402</b>		Adds curbside delivery as allowable activity for storefront retailers.	
<b>Sale of Non-Cannabis Goods §15407</b>	Allows retailers to sell the branded merchandise of any licensed commercial cannabis business.	Amended to allow retailers operating a consumption area to sell prepackaged non-cannabis infused and non-alcoholic food and beverages if allowed by the local jurisdiction.  Clarifies consumers may bring or receive non-cannabis infused and non-alcoholic food and beverages for consumption in a designated consumption area.	

<p><b>Sale of Live Plants and Seeds §15408</b></p>	<p>Clarifies and makes consistent requirements related to the sale of immature plants (i.e., immature plants sold at retail must be shorter and narrower than 18 inches).</p> <p>Eliminates packaging and labeling requirements as the packaging and labeling requirements for all licensees have been consolidated and placed in Chapter 11.</p>		
<p><b>Requirements for Providing Free Cannabis Goods to Medicinal Consumers §15411</b></p>		<p>Adds requirements for providing free cannabis goods to medicinal consumers.</p> <p>Specifies verification and record keeping requirements.</p>	
<p><b>Delivery Employee §15415</b></p>		<p>Amended to allow for receipt of cannabis goods during hours of operation.</p>	<p>Non-substantive edit for gender neutrality in text.</p> <p>Amended to require employee to return to premises at the end of the day only if they have unsold cannabis goods to return to the premises.</p>
<p><b>Delivery Vehicle Requirements §15417</b></p>		<p>Amended and makes less burdensome requirements for enclosing cannabis goods during delivery. Requires a secured area that may be comprised on three sides of any part of the body of the vehicle.</p>	

<p><b>Cannabis Goods Carried During Delivery §15418</b></p>	<p>Clarifies that delivery employees may also carry branded merchandise, in addition to cannabis, cannabis accessories, and promotional materials.</p>	<p>Increases value of cannabis goods that may be carried during delivery to \$10,000 and removes limit on carrying cannabis goods that have not yet been ordered.</p>	
<p><b>Retailer Premises to Retailer Premises Transfer §15427</b></p>	<p>Clarifies that to make a transfer of cannabis goods between two licensed retailers, the retail licenses must be held by the same sole proprietor or business entity.</p>		
<p><b>Microbusiness §§15500, et seq.</b></p>	<p>Provides must engage in one of the following 3 activities: cultivation, manufacturing, distribution, and retail. Note - microbusiness is defined in MAUCRSA under BPC 26000(aj) and means a licensee that is authorized to engage in cultivation of cannabis on an area less than 10,000 square feet and to act as a licensed distributor, Level 1 manufacturer, and retailer under this division.</p> <p>Specifically, adds distributor transport-only as a qualifying activity in section §15500.</p>		
<p><b>Temporary Cannabis Event Requirements §15601</b></p>		<p>Adds vendors to list of participants that must be disclosed.</p> <p>Clarifies all employees of licensees participating in an event</p>	



		<p>must comply with the employee badge requirements.</p> <p>Adds requirement for the event organizer to designate a limited-access area that can only be accessed by the licensee and DCC.</p>	
<p><b>Participation in Temporary Cannabis Events by Non-Retail Licensees §15603.1</b></p>		<p>New section clarifies requirements for participation in events by non-retail licensees.</p> <p>Provides limits on amounts of cannabis and cannabis products that may be displayed and how they may be displayed.</p> <p>Allows cannabis and cannabis products for display purposes to be brought to the event by the licensee or their employee in accordance with personal possession limits for all adults.</p> <p>Allows licensees to display cannabis accessories, packaging materials, promotional materials, and branded merchandise.</p> <p>Allows licensees to sell branded merchandise and cannabis accessories in compliance with local and state laws.</p>	
<p><b>Definitions §15700</b></p>	<p>Removes conflicting or duplicative definitions.</p>	<p>Adds clarification to definition of certified reference material.</p>	<p>Amended definition of Total THC to incorporate Delta 8.</p>

<b>General Laboratory License Requirements §15701</b>		Clarifies licensees may test items not regulated by the Department. Requires separate and distinct records.	
<b>Chain of Custody (COC) §15706</b>			Adds distributor to list of licensees who may be producing product.
<b>Laboratory Transportation of Cannabis and Cannabis Products Samples §15709</b>	Clarifies what must be provided to DCC, upon request, regarding a vehicle used to carry cannabis samples (i.e., copy of the certificate of ownership or registration card issued by the California DCC of Motor Vehicles for each vehicle).	Amended and makes less burdensome requirements for enclosing cannabis and cannabis products samples during transport. Requires a secured area that may be comprised on three sides of any part of the body of the vehicle.  Clarifies all vehicles and trailers used for transportation must be owned or leased by the licensee but the licensee is not required to be the sole owner or lessor and all owners may use the vehicle for non-commercial cannabis activity.	
<b>Residual Solvents and Processing Chemicals Testing §15718</b>	Clarifies and makes consistent regulatory considerations related to tinctures.  Clarifies that the limit of ethanol does not apply to cannabis or cannabis products that are tinctures.		
<b>Cannabinoid Testing §15724</b>	Provides for a 12% deviation in total THC claimed to be present on a label, from the percentage of Total THC	Provides for a 10% deviation in total THC and/or total CBD claimed to be present on a label, from the	

	on the certificate of analysis, for edible cannabis products.	percentage on the certificate of analysis.	
<b>Certificate of Analysis (COA) §15726</b>	<p>Amended to align with statutory requirements which allow for minor errors to be corrected on certificates of analysis.</p> <p>Clarifies what the DCC considers as “minor errors” in certificates of analysis.</p> <p>Provides guidance regarding how licensed testing laboratories may request to correct “minor errors” on certificates of analysis.</p> <p>Clarifies where to send such requests to amend certificates of analysis.</p>		
<b>Cultivation §§16201, et seq.</b>	Clarifies canopy, cultivation plan, and pest management plan requirements, no substantive changes to requirements.		
<b>General Cultivation Requirements §16202</b>			Amended to align with statute; removes prohibition on outdoor cultivators using light deprivation.
<b>Cultivation Requirements §16300</b>			Title amended to remove reference to license types.
<b>Research and Development Requirements for Nursery Licensees §16302</b>	Clarifies that cannabis and cannabis products derived from plants in the research and development area shall not be transferred off the licensed premises.		

<p><b>General Environmental Protection Measures §16304</b></p>	<p>Clarifies light shielding requirements – extending requirements regarding the shielding of light to all mixed-light and indoor cultivation operations.</p> <p>Clarifies that lights used for safety or security shall also be shielded downward.</p>		
<p><b>Renewable Energy Requirements §16305</b></p>	<p>Clarifies greenhouse gas calculation and reporting requirements (no substantive change to requirements).</p>		
<p><b>Generator Requirements §16306</b></p>			<p>Amended to clarify generator is also known as a diesel engine.</p>
<p><b>Canopy Requirements §16308</b></p>		<p>Amended to add requirement that seeds, immature plants, or propagated material received from a nursery as trade samples be cultivated in a canopy area dedicated to trade samples.</p> <p>Requires canopy areas used to cultivate trade samples received from a nursery to be included in the aggregate square footage of the canopy areas.</p>	<p>Amended to clarify canopy areas may be used to produce seeds for use by the licensee.</p>
<p><b>Supplemental Water Source Information §16311</b></p>			<p>Amended to allow for written documentation from the water supplier that service will be provided at the premises address.</p> <p>Adds requirement for location coordinates of</p>



			<p>rainwater catchment infrastructure.</p> <p>Amended to clarify documentation that should be provided if water source is a diversion from a waterbody to align with statute.</p>
<p><b>License Constraints</b> <b>§17117</b></p>			<p>Amended to allow non-cannabis infused samples to be provided to all licensees except cultivators, distributors transport only, testing laboratories, and cannabis event organizers.</p>
<p><b>Solvent Use and Safety</b> <b>§§17202.1 – 17206.1</b></p>	<p>Contains the requirements for both volatile and non-volatile extractions.</p> <p>Establishes safety requirements for licensees that use a volatile solvent, flammable liquid, or a solvent that creates an asphyxiant gas in their manufacturing operations.</p> <p>Describes areas in which extraction and post-extraction processing can be performed.</p> <p>Requires licensee to establish and implement written procedures to ensure the closed-loop system is properly maintained and that routine verification is being conducted to ensure the system is</p>	<p>Amended to clarify ethanol requirements.</p> <p>New section added to require closed-loop extraction systems to be certified prior to use.</p>	<p>Amended to clarify that a closed-loop system must be recertified if the system is modified in a manner that its operation no longer conforms to the original equipment manufacturer’s specifications.</p>



	<p>operating in accordance with specifications and continues to comply with fire, safety, and building code requirements.</p> <p>Requires maintenance of written maintenance and verification logs.</p>		
<p><b>Quality Control Program</b> <b>§17208</b></p>	<p>Clarifies what the quality control plan should include in the premises, equipment and utensils, personnel procedures, components, manufacturing processes and procedures</p> <p>Clarifies one qualified individual or more should supervise the quality control program.</p>		
<p><b>Good Manufacturing Practices</b> <b>§§17207 - 17218</b></p>	<p>Clarifies requirements regarding components that are food to be obtained from a source that complies with federal and state food laws.</p> <p>Clarifies the requirements for written personnel procedures that must be implemented.</p> <p>Clarifies requirements that a licensed manufacturer implement a training program for personnel that covers specified information.</p> <p>Amended batch production record requirements.</p>		<p>Clarifies that manufacturers must identify cannabis products that are expected to leave the manufacturing premises in final form and packaged and labeled as they will be sold at retail.</p>



<p><b>Other Responsibilities</b> §§ 17221, et seq.</p>	<p>Contains other responsibilities applicable to all licensees under DCC, including responsibilities related to weighing devices and weighmasters, waste management, consent to sample collection, product complaints, voluntary recalls, and mandatory recalls.</p>		<p>Non-substantive edits to replace non-gender neutral terms.</p>
<p><b>Cannabis and Cannabis Products</b> §§17300, et seq.</p>	<p>Contains requirements for both manufactured and non-manufactured cannabis and cannabis products including requirements related to prohibited products, edible cannabis products, topical cannabis products, THC concentration limits, and failed batches.</p>	<p>Removes caffeine from list of prohibited additives.</p> <p>Adds prohibition on: 1) inhalable cannabis goods that are delivered into the lungs through a metered-dose inhaler or dry-powder inhaler; 2) cannabis goods that are administered through the eye or the nasal passages; and 3) cannabis goods that are injected into the body by piercing the skin.</p> <p>Adds additional requirements for tinctures including that they be no more than 2 fluid ounces and include a calibrated dropper or similar device.</p> <p>Adds additional requirements for inhaled products including that they only contain cannabis, cannabis concentrate, botanically-derived terpenes, rolling paper or leaf, and ingredients</p>	<p>Edits to replace the terms “cannabis goods” and “cannabis product” as applicable.</p> <p>Clarifies that prohibition on dry-powder and metered-dose inhalers does not extend to other dry-powder cannabis products or metered-dose vaporizers containing cannabis or cannabis oil. Removes requirement that terpenes be botanically derived and adds pre-roll filter tips as allowable component in inhaled products.</p> <p>Adds requirements to include in a corrective action plan, the UID for a batch, the size of the batch, and the email address of the manufacturer’s contact person.</p>

		permitted by the USFDA as inactive ingredients.  Clarifies process for remediation and adds requirements for corrective action plans.	
<b>Bulk Cannabis and Cannabis Products §17398</b>		Adds provisions related to the packaging and labeling of bulk cannabis and cannabis products.	
<b>Bulk Cannabis and Cannabis Products §17398</b>	Adds provisions related to the packaging and labeling of bulk cannabis and cannabis products.		
<b>Universal Symbol §17410</b>	Clarifies universal symbol language to align with statutory requirements, which allow vape cartridges to be printed, engraved, or stickered with the universal symbol in black and in a size not smaller than one-quarter inch wide by one-quarter inch high.	Amended to allow universal symbol to be in black or white.	
<b>Packaging §17411</b>		Removes requirement that bottles containing liquid products be opaque.	
<b>Enforcement §§17800, et seq.</b>	Consolidates and makes consistent enforcement grounds for discipline.  Provides for right of access to enter premises, inspect and test vehicles and equipment, copy records, and test cannabis, cannabis products, and cannabis related materials. States	Amended to allow service of Notice to Comply by email.  Clarifies embargo provisions.	



	<p>prior notice is not required.</p> <p>Provides for Notice to Comply, Citation, Embargos, Accusations, Interim Suspensions and Emergency Decisions.</p> <p>Removes Notice of Violation provisions, except for those issued pre-October 1 and provides for process to transition them to APA hearings.</p> <p>Provides the provisions related to attire, entertainers, conduct, minor decoys, and additional grounds for discipline apply to all licensees.</p> <p>Incorporates manufacturers into disciplinary guidelines and adds cultivator fine schedule into disciplinary guidelines.</p> <p>Requires posting of notice of suspension and notice of revocation at the licensed premises.</p>		
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