

Department of Cannabis Control
Text of Regulations
California Code of Regulations Title 4
Division 19. Department of Cannabis Control

*Text proposed to be added to the rulemaking in this 15-day comment period is displayed in **bold, double underlined** type font. Text proposed to be deleted from the rulemaking in this 15-day comment period is displayed in ~~**bold, double strikethrough**~~ type font.*

Chapter 1. All Licensees

Article 3. Licensing

§ 15014.2. Fees – Large Cultivation License.

(a) Notwithstanding section 15014, the following are the application fees due for the specified large cultivation license types to be paid at the time the complete application is submitted to the Department:

Application Fee Schedule for Large Cultivation Licenses

<u>Large License Type</u>	<u>Fee Per Application</u>
<u>Outdoor</u>	<u>\$1,555</u>
<u>Mixed Light Tier 1</u>	<u>\$2,885</u>
<u>Mixed Light Tier 2</u>	<u>\$4,945</u>
<u>Indoor</u>	<u>\$8,655</u>

(b) Notwithstanding section 15014, the following are the annual license fees due for the aggregate canopy size for the annual cultivation license to be paid prior to issuance of a license, renewal of a license, or a converted license:

License Fee Schedule for Large Outdoor Cultivation

<u>Canopy Size</u>	<u>Fees</u>
<u>Base Annual Fee</u>	<u>\$13,990</u>
<u>Per 2,000 sq. ft. of Canopy over 1 acre</u>	<u>\$640</u>

License Fee Schedule for Large Mixed Light Tier 1 Cultivation

<u>Canopy Size</u>	<u>Fees</u>
<u>Base Annual Fee</u>	<u>\$25,970</u>
<u>Fee Per 2,000 sq. ft over 22,000 sq. ft.</u>	<u>\$2,360</u>

License Fee Schedule for Large Mixed Light Tier 2 Cultivation

<u>Canopy Size</u>	<u>Fees</u>
<u>Base Annual Fee</u>	<u>\$44,517</u>
<u>Fee Per 2,000 sq. ft over 22,000 sq. ft.</u>	<u>\$4,040</u>

License Fees Schedule for Large Indoor Cultivation

<u>Canopy Size</u>	<u>Fees</u>
<u>Base Annual Fee</u>	<u>\$77,905</u>
<u>Fee Per 2,000 sq. ft over 22,000 sq. ft.</u>	<u>\$7,080</u>

Authority: Section 26013, Business and Professions Code. Reference: Sections 26012, 26051.5, 26060, 26120 and 26180, Business and Professions Code.

§ 15027.1. Conversion to Large and Medium Cultivation Licenses.

(a) A licensee may convert existing cultivation licenses into a Large or Medium Cultivation license if the following requirements are met:

(1) The location to be licensed consists of licensed or previously licensed cultivation sites, as listed in section 16201. The licensee must have at least one active license within the boundaries of the proposed premises at the time they request conversion.

(2) The licenses to be converted are held by the same person(s) as the requested converted Large or Medium Cultivation license.

(b) To obtain a conversion into a Large or Medium Cultivation license, **an eligible licensee** shall submit to the Department the following information:

(1) The name of the Designated Responsible Party requesting the conversion.

(2) The license numbers of the current or previous cultivation licenses to be converted.

(3) The physical address(es) for the current or previous cultivation licenses to be converted.

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(4) A diagram of the proposed premises that meets the requirements of section 15006.

(5) A proposed cultivation plan that meets the requirements in section 16309.

(6) If the conversion necessitates additional review pursuant to CEQA (division 13 commencing with section 21000) of the Public Resources Code); the licensee shall provide evidence of compliance with CEQA in accordance with section 15010.

(7) The identities of all owners and financial interest holders, as defined in sections 15003 and 15004, for the converted license. The information for all owners required in section 15002, subsection (c)(16) and all information required for financial interest holders in section 15002, subsection (c)(15) shall be submitted to the Department by entering the information into the appropriate fields within the Department's licensing system.

(c) Additional information shall be provided upon request of the Department.

(d) The Department shall verify that all requirements for conversion have been met. If all requirements have been met, the Department shall notify the licensee in writing that the conversion requirements have been met and they may pay the applicable license fee provided for in section 15014.2 or 15014. The fee associated with the converted license shall be paid within 30 calendar days of the notification from the Department required by this subsection. The converted license will become active on the date the fee associated with the converted license is paid in full. If the licensee has been granted a fee deferral pursuant to Business and Professions Code section 26249, the converted license will become active on the date of the notification from the Department that all conversion requirements have been met and the fee associated with the converted license shall be paid in accordance with the provisions of the fee deferral.

(e) A conversion shall not be subject to an application fee.

(f) Notwithstanding sections 15014.2 and 15014, if time remains on any of the licenses to be converted, the prorated value for each day remaining on each license approved for conversion will be credited to the license fee amount for the converted license. The amount credited shall not exceed the license fee for the converted license.

(g) At the time a converted Large or Medium Cultivation license becomes active, the licenses that are converted or within the boundaries of the converted license shall be cancelled by the Department.

Authority: Section 26013, Business and Professions Code. Reference: Sections 26012, 26013, 26050, 26055, 26060.1 and 26061, Business and Professions Code.

Chapter 7. Cultivators

Article 1. General Cultivation Requirements

§ 16201.1. Large Cultivation Licenses.

(a) Beginning January 1, 2023, the Department may issue Large Cultivation licenses. Large license types include:

(1) “Large Outdoor” is an outdoor cultivation site with more than one acre of total canopy.

(2) “Large Indoor” is an indoor cultivation site with more than 22,000 square feet of total canopy.

(3) “Large Mixed-Light” is a mixed-light cultivation site with more than 22,000 square feet of total canopy.

Authority: Section 26013, Business and Professions Code. Reference: Sections 26012, 26013, 26050 and 26061, Business and Professions Code.

Article 2. Cultivation Site Requirements

§ 16300.1. Cultivation Requirements for Large Licenses.

(a) Large cultivation licensees must comply with all requirements applicable to licensees engaging in the cultivation of cannabis.

(b) Commencing on January 1, 2023, ~~the holder of a person that holds an~~ **ownership or financial interest in** a Large Cultivation license shall not be eligible to apply for or hold **an ownership or financial interest in** a Type 8, Type 11, or Type 12 license.

(c) **For purposes of this section, the act of submitting a license application for a Large Cultivation license or submitting a request for a conversion into a Large Cultivation license shall be considered the applicant or licensee’s attestation that:**

(1) **All persons who will hold an ownership or financial interest in the Large Cultivation license do not currently hold any ownership or financial interest in a Type 8, Type 11, or Type 12 license; and**

(2) **No person who will hold an ownership or financial interest in the Large Cultivation license will apply for or hold an ownership or financial interest in a Type 8, Type 11, or Type 12 license while maintaining their ownership or financial interest in the Large Cultivation license.**

Authority: Section 26013, Business and Professions Code. Reference: Sections 26012, 26060, 26061 and 26180, Business and Professions Code.

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Conversion to Large and Medium Cultivation Licenses
Type 5, 5A, and 5B License Fees and Requirements