

Conversion to Large and Medium Cultivation Licenses

Starting January 1, 2023, an eligible licensee may convert active and previously active cultivation licenses into a Large (Type 5, 5A, or 5B) or Medium cultivation license. Additionally, a licensee may hold more than one Medium cultivation license.

Definitions

- “Large Outdoor” (Type 5) is an outdoor cultivation site with more than 1 acre of total canopy.
- “Large Indoor” (Type 5A) is an indoor cultivation site with more than 22,000 square feet of total canopy.
- “Large Mixed-light” (Type 5B) is a mixed-light cultivation site with more than 22,000 square feet of total canopy.
- “Medium Outdoor” is an outdoor cultivation site with between 10,001 square feet and one acre of total canopy.
- “Medium Indoor” is an indoor cultivation site with between 10,001 and 22,000 square feet of total canopy.
- “Medium Mixed-light Tier 1 and 2” is a mixed-light cultivation site with between 10,001 and 22,000 square feet of total canopy.
- “Premises” means the designated structure(s) and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or licensee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one licensee.

Eligibility

A cultivation licensee is eligible for a Large or Medium license conversion if:

- The proposed premises for the Large or Medium license is one contiguous premises that includes only licensed or previously licensed cultivation premises.
- At least one active license exists within the boundaries of the proposed premises.
- The licenses to be converted are all held by the same licensee.
- If converting to a Large (Type 5, 5A, or 5B) license: All associated Provisional licenses to be converted qualify for Annual licensure (see Requirements). This does not apply if converting to a Medium license.

Licensees cannot:

- Expand their premises through a conversion. All physical modifications of a cultivation premises must be submitted and approved post-conversion in accordance with section 15027 of the Department’s regulations.



- Change ownership through the request for conversion. Changes in ownership must be made in accordance with section 15023 of the Department’s regulations prior to submitting a conversion request.

A cultivation licensee is not eligible for a Large license conversion if:

- The licensee or any person who will hold an ownership or financial interest in the proposed Large cultivation license also holds an ownership or financial interest in any of the following license types:
 - Type 8: Testing Laboratory
 - Type 11: Distribution
 - Type 12: Microbusiness

Submission

To submit a conversion request, the Designated Responsible Party (DRP) must:

- Log in to their account in the [Cannabis Licensing System \(CLS\)](#)
- Confirm they are the DRP on the license(s) to be converted
- Enter all required information
- Upload all required documents

Requirements

The conversion request must include the following:

- The active license number that will be converted to a Large or Medium license
 - Select an active license within the DRP’s account (this will be the primary license)
 - Please note that until a conversion has been approved, the licensee must continue to timely renew the license that will be the primary license for the conversion
- Full name of the DRP
- All cultivation license numbers to be included in the conversion
- All physical address(es) to be included in the conversion
- A proposed cultivation plan, including:
 - Premises Diagram (includes lighting diagram for Mixed-light or Indoor license types only)
 - Pest Management Plan
 - Waste Management Plan
- Evidence of compliance with CEQA
 - Conversions to a Large license must already be or qualify for an Annual license, which requires CEQA to be complete
 - Conversions to a Medium license may remain a Provisional license (Provisional renewal requirements apply; see conversion checklist for more information)



- Identities of all owners and financial interest holders
 - All information required by section 15002, subsection (c)(16) for owners
 - All information required by section 15002, subsection (c)(15) for financial interest holders

Review

- During the conversion review process, Department staff will verify the request is complete and meets all specified requirements.
- We will contact you if your request is incomplete. If we contact you, we ask that you:
 - Respond timely to any requests from the Department to resolve incomplete requests
 - Provide what is needed as soon as possible to reduce delays in processing

Approval

If your conversion request is approved:

- The DRP will receive a notification with approval and fee-related details
- Login to view the prorated assessed fee
- Pay the applicable fee within 30 calendar days of approval notification
- Licenses included in the conversion or that are located within the boundaries of the primary license will be cancelled
- Immediately contact the track and trace team to reconcile inventory across all active licenses

If your conversion request is not approved:

- The DRP will receive a notification from the Department. A subsequent request may be submitted at any time.

New limitations on contiguous provisional cultivation licenses

After January 1, 2023, DCC cannot renew a provisional cultivation license if renewing the license would result in a licensee holding multiple cultivation licenses on contiguous premises that exceed one acre of total canopy for Outdoor cultivation or 22,000 square feet for Mixed-Light or Indoor cultivation. For more information regarding provisional renewal requirements, see the [Key Dates for Provisional licenses](#) and the conversion checklist.

Fees

- There are no fees associated with the submission of the conversion request
- The prorated value for each day remaining on each active license approved for conversion will be credited to the license fee amount for the post-conversion Large or



Medium license. Note that the amount credited cannot exceed the total license fee for the converted license

Large Cultivation License Types and Fees

Light Type	Canopy Size	Base Annual Fee	Per 2,000 sq. ft. over base
Outdoor	More than 1 acre	\$13,990	\$640
Mixed-Light Tier 1	More than 22,000 sq. ft.	\$25,970	\$2,360
Mixed-Light Tier 2	More than 22,000 sq. ft.	\$44,517	\$4,040
Indoor	More than 22,000 sq. ft.	\$77,905	\$7,080

Medium Cultivation License Types and Fees

Light Type	Canopy Size	Annual Fee
Outdoor	10,001 sq. ft. to 1 acre	\$13,990
Mixed-Light Tier 1	10,001 to 22,000 sq. ft.	\$25,970
Mixed-Light Tier 2	10,001 to 22,000 sq. ft.	\$44,517
Indoor	10,001 to 22,000 sq. ft.	\$77,905

Resources

Additional resources are available on DCC's [CannaConnect Compliance Hub](#) webpage.

Contact Us

For conversion request assistance, email licensing@cannabis.ca.gov.

For inventory reconciliation procedures, email trackandtrace@cannabis.ca.gov.

The Department of Cannabis Control (DCC) licenses and regulates commercial cannabis activity within California. To learn more about the California cannabis market, state licenses or laws, visit cannabis.ca.gov. Email questions to info@cannabis.ca.gov or call 1-844-61-CA-DCC (1-844-612-2322).