

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

Further modifications proposed to be added to the rulemaking in this 15-day comment period are displayed in *italic, wave underlined type font*. Further modifications proposed to be deleted from the rulemaking in this 15-day comment period are displayed in *~~italic, single strikethrough, wave underlined type font~~*.

Text that is single underline, **bold double underlined**, or ~~**bold double strikethrough**~~ were prior proposed modifications for which the comment periods have ended.

**Chapter 1. All Licensees**

**Article 2. Applications**

**§15006. Premises Diagram.**

(a) An applicant shall submit to the Department, with the application, a complete and detailed diagram of the proposed premises. The diagram shall be used by the Department to determine whether the premises meets the requirements under this division and the Act. The Department shall deny an application if the premises does not qualify for licensure pursuant to Business and Professions Code section 26057.

(b) The diagram shall show the boundaries of the property and the proposed premises to be licensed, showing all boundaries, entrances and exits, interior partitions, walls, rooms, windows, and doorways, and shall include a brief statement or description of the principal activity to be conducted therein. The diagram shall also include the dimensions of the boundaries of the premises and structures, including interior and exterior dimensions, to clearly identify the bounds of the premises.

(c) The diagram shall show and identify commercial cannabis activities that will take place in each area of the premises, and identify limited-access areas. Commercial cannabis activities that shall be identified on the diagram include the following, if applicable to the business operations: storage, batch sampling, loading or unloading of shipments, packaging and labeling, customer sales, loading for deliveries, extraction, infusion, cultivation, and processing.

(d) The diagram shall show where all cameras are located and assign a number to each camera for identification purposes unless the premises is exempt from the video surveillance requirement pursuant to section 15315 or section 15044.

(e) The diagram shall be to scale to clearly determine the bounds of the premises.

(f) If the proposed premises consists of only a portion of a property, the diagram must

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be labeled indicating which part of the property is the proposed premises and for what purpose(s) the remaining property is used.

(g) If the proposed premises consists of only a portion of a property that will contain two or more licensed premises, the diagram shall clearly show the designated entrances and walls under the exclusive control of the commercial cannabis business for the premises, as well as the designated entrances and walls for each additional premises. The diagram shall also show all proposed common or shared areas of the property. Such areas may include lobbies, bathrooms, hallways, and breakrooms.

(h) If the commercial cannabis business is seeking a license to conduct cultivation activities on the proposed premises, the following must be clearly identified on the premises diagram:

(1) All roads and water crossings on the property.

(2) All water sources identified and labeled for beneficial use type, including but not limited to, irrigation, domestic, fire protection, power, fish and wildlife preservation and enhancement, and recreation.

(3) If the commercial cannabis business is proposing to use a diversion from a waterbody or an underground stream flowing in a known and definite channel, groundwater well, or rain catchment system as a water source for cultivation, include the following locations on the premises diagram with locations also provided as geographic coordinates in either latitude and longitude or the California Coordinate System:

(A) Sources of water used, including the location of waterbody diversions(s), pump locations(s), and distribution system; and

(B) Location, type, and capacity of each water storage unit to be used for cultivation.

(4) The assessor's parcel number(s).

(5) For applicants for a Specialty Cottage, Specialty, Small, ~~and~~ Medium, ~~and~~ Large license:

(A) Canopy area(s), including dimensions in feet and aggregate square footage if the canopy areas are noncontiguous. All unique areas separated by identifiable boundaries pursuant to section 15000(m) shall be clearly described and labeled in the premises diagram. If mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation;

(B) Area(s) outside of the canopy where only immature plants shall be maintained, including their dimensions in feet, if applicable. This area may not be shared among multiple licenses held by one licensee;

(C) Designated pesticide and other agricultural chemical storage area(s);

(D) Designated processing area(s) if the licensee will process onsite. This area may not be shared among multiple licenses held by one licensee;

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(E) Designated packaging area(s) if the licensee will package products onsite. This area may not be shared among multiple licenses held by one licensee;

(F) Designated composting area(s) if the licensee will compost cannabis waste onsite;

(G) Designated secured area(s) for cannabis waste if different from subsection (F) above.

(H) Designated area(s) for harvested cannabis storage. This area may not be shared among multiple licenses held by one licensee.

(I) Designated area(s) that are shared between licenses held by one licensee. The shared area(s) must be contiguous, be indicated on the premises diagram for each application, and be one or more of the following designated area(s) shared between licenses held by one licensee: pesticide and other agricultural chemical storage area(s), composting area(s), and secured area(s) for cannabis waste; and

(J) Common use area(s), such as hallways, bathrooms, and breakrooms. This area may be shared by multiple licensees.

(6) For indoor and ~~mixed-light~~ *Mixed-light* license type applications, a lighting diagram with the following information must be included:

(A) Location of all lights in the canopy area(s); and

(B) Maximum wattage, or wattage equivalent, of each light.

(7) For applicants for a nursery license:

(A) Designated pesticide and other agricultural chemical storage area(s);

(B) Designated composting area(s) if the licensee will compost cannabis waste onsite;

(C) Designated secured area(s) for cannabis waste if different from subsection (B) above;

(D) At least one of the following areas:

(i) Area(s) that shall contain only immature plants; or

(ii) Designated seed production area(s) that may contain mature plants; and

(E) Designated research and development area(s) that may contain mature plants, if the licensee will be conducting research and development activities that require a plant to flower.

(8) For applicants for a processor license:

(A) Designated processing area(s);

(B) Designated packaging area(s), if the licensee will package and label products onsite;

(C) Designated composting area(s) if the licensee will compost cannabis waste onsite;

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(D) Designated secured area(s) for cannabis waste if different from subsection (C) above; and

(E) Designated area(s) for harvested cannabis storage.

(i) If the commercial cannabis business is seeking a Type S license to manufacture cannabis products or registering as a manufacturing Shared-Use Facility, the premises diagram must also comply with all applicable requirements in sections 15011(b)(13)(D) and 17124-17128.

(j) If a proposed premises is located on only a portion of a property that also includes a residence, the diagram shall clearly show the designated buildings for the premises and the residence.

(k) If the commercial cannabis business is seeking a license to conduct manufacturing activities using a closed-loop extraction system, the diagram shall include the location of the closed-loop extraction system and clearly display the systems serial number.

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

### **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**

<b><u>Large License Type</u></b>	<b><u>Fee Per Application</u></b>
<u>Outdoor</u>	<u>\$1,555</u>
<u>Mixed Light Mixed-light Tier 1</u>	<u>\$2,885</u>
<u>Mixed Light 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:

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**License Fee Schedule for Large Outdoor Cultivation**

<b><u>Canopy Size</u></b>	<b><u>Fees</u></b>
<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~~ Mixed-light Tier 1 Cultivation**

<b><u>Canopy Size</u></b>	<b><u>Fees</u></b>
<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~~ Mixed-light Tier 2 Cultivation**

<b><u>Canopy Size</u></b>	<b><u>Fees</u></b>
<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**

<b><u>Canopy Size</u></b>	<b><u>Fees</u></b>
<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.

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(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.

(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.~~

~~(c)(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.

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

~~(e)(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.

~~(f)(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 Mixed-light~~" is a ~~mixed-light 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. Additional Cultivation Requirements for Large Licenses.**

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

~~(a)(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.

~~(b)(c) As part of the ~~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 shall submit an 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**

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**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.