

Department of Cannabis Control
Medicinal and Adult-Use Commercial Cannabis Regulations
California Code of Regulations Title 4
Division 19. Department of Cannabis Control

Chapter 1. All Licensees

Article 3. Licensing

§15020.1. Cultivation License Limited Operations Status.

(a) ~~Active~~ ^cCultivation licensees may place a cultivation license, ~~expiring on or after March 1, 2024,~~ in Limited Operations Status as set forth in this section.

(b) “Limited Operations Status” means an inactive license status that allows a cultivation licensee to do only the following:

(1) Engage in the drying, curing, grading, trimming, packaging, and sale of cannabis harvested before the date the cultivation license was placed in Limited Operations Status.

(2) Possess and maintain seeds and immature plants used solely for propagation to preserve the genetic lineage of the cultivation licensee’s cannabis plants.

(c) Mature plants are prohibited on the premises of a cultivation license in Limited Operations Status. Any mature plants that have not been harvested before the date the cultivation license was placed in Limited Operations Status shall be destroyed within 30 days.

(d) To place a cultivation license in Limited Operations Status, a cultivation licensee shall do the following:

(1) Specify, on the license renewal form specified in section 15020(d) ~~or the modified renewal date request specified in section 15020.3(e),~~ the request to place the cultivation license in Limited Operations Status.

(2) Pay the Department 20 percent of the applicable annual license fee for the cultivation licensee’s current license type as required by section 15014 or section 15014.2.

(3) Meet all other renewal requirements pursuant to sections 15001.2 and 15020, if applicable.

(e) The Department shall verify that all requirements to place the cultivation license in Limited Operations Status have been met. If all requirements have been met, the Department shall notify the cultivation licensee in writing that the requirements for the requested Limited Operations Status have been met.

(f) Limited Operations Status granted pursuant to this section shall remain in effect for the duration of the license term. The cultivation licensee may request to place the cultivation license in Limited Operations Status at each subsequent renewal.

(g) This section does not apply to any of the following:

- (1) Nursery licenses.
- (2) Processor licenses.

(h) Cultivation licenses that are changed to a Reduced-Size Cultivation License pursuant to section 15020.2 shall not be placed in Limited Operations Status during the same license term.

Authority: Section 26061.5, Business and Professions Code. Reference: Sections 26012, 26050 and 26061.5, Business and Professions Code.

§15020.2. Cultivation License Reductions in Size.

(a) ~~Active c~~Cultivation licensees may change an Original Cultivation License, ~~expiring on or after March 1, 2024,~~ to a Reduced-Size Cultivation License as set forth in this section.

(b) The following definitions apply:

(1) "Original Cultivation License" means the provisional or annual cultivation license type indicated on the license prior to any reduction in size pursuant to this section.

(2) "Reduced-Size Cultivation License" means a cultivation license type specified by the cultivation licensee that satisfies both of the following:

(A) The maximum canopy size of the cultivation license is smaller than the maximum canopy size allowed by the cultivation licensee's Original Cultivation License.

(B) The cultivation license uses the same type of lighting (i.e., Indoor, Outdoor, Mixed-Light Tier 1, or Mixed-Light Tier 2) as the Original Cultivation License.

(c) To change an Original Cultivation License to a Reduced-Size Cultivation License, a cultivation licensee shall do the following:

(1) Specify, on the license renewal form specified in section 15020(d) ~~or the modified renewal date request specified in section 15020.3(e),~~ the request to change the Original Cultivation License to a Reduced-Size Cultivation License. The request shall identify the specific cultivation license type corresponding to the cultivation licensee's requested reduced canopy size.

(2) Submit an updated premises diagram that does all of the following:

(A) Satisfies the requirements of section 15006;

(B) Identifies the canopy area for the Original Cultivation License; and

(C) Identifies the canopy area for the requested Reduced-Size Cultivation License. This canopy area shall be located within the canopy area of the Original Cultivation License.

(3) Pay the annual license fee applicable to the cultivation license type of the requested Reduced-Size Cultivation License as required by section 15014 or section 15014.2.

(4) Meet all other renewal requirements pursuant to sections 15001.2 and 15020, if applicable.

(d) The Department shall verify that all requirements for changing the cultivation license type have been met. If all requirements have been met, the Department shall notify the cultivation licensee in writing that the requirements for the change in cultivation license type have been met.

(e) A Reduced-Size Cultivation License shall remain in effect for the duration of the license term. At each subsequent renewal, the cultivation licensee may do any of the following:

- (1) Retain the Reduced-Size Cultivation License.
- (2) Change to a different Reduced-Size Cultivation License.
- (3) Restore the Original Cultivation License.

(f) A provisional cultivation licensee shall continue to actively and diligently pursue the requirements for annual licensure, as required by section 15001(d). A provisional cultivation licensee may pursue annual licensure for either the Original Cultivation License or a Reduced-Size Cultivation License.

(1) A provisional cultivation licensee shall immediately notify the Department if it chooses to pursue annual licensure for a Reduced-Size Cultivation License. Such notification shall be submitted to the Department in writing by electronic mail to licensechange@cannabis.ca.gov. The notification shall identify the name of the provisional cultivation licensee, the Department-issued annual license application number, and the annual license type the provisional cultivation licensee is pursuing.

(2) Notwithstanding subsection (b)(1), after the issuance of an annual cultivation license, that license shall be considered the cultivation licensee's Original Cultivation License for purposes of this section.

(g) This section does not apply to any of the following:

- (1) Nursery licenses.
- (2) Processor licenses.

(h) Cultivation licenses placed in Limited Operations Status pursuant to section 15020.1 shall not be changed to a Reduced-Size Cultivation License during the same license term.

Authority: Section 26061.5, Business and Professions Code. Reference: Sections 26012, 26050 and 26061.5, Business and Professions Code.

§15020.3. Modifying Cultivation License Renewal Date.

(a) An active cultivation licensee may modify the renewal date of a cultivation license, as set forth in this section.

(b) "Modified License Term" means the period of time that falls between submission of a cultivation licensee's request to modify a license date of renewal and the requested modified license renewal date.

(c) “Original Renewal Date” means the scheduled date of renewal indicated on the cultivation license, prior to any renewal date modification pursuant to this section.

(d) “Prorated Daily License Fee” means the prorated license fee for one calendar day, which shall be calculated by dividing the applicable annual license fee by 365. The applicable annual license fee shall be the license fee required by section 15014, section 15014.2, or section 15020.1(d)(2).

(e) To modify the renewal date of a cultivation license, the cultivation licensee shall submit to the Department a request through the Department’s online licensing system ~~or submit a modified renewal date request form by electronic mail to licensechange@cannabis.ca.gov~~, which shall include the following:

- (1) The name of the cultivation licensee;
- (2) The license number and current expiration date;
- (3) A requested modified renewal date that is on or after the date of submission to the Department of all the information required by this section;
- (4) Whether the cultivation licensee requests to place the license in Limited Operations Status pursuant to section 15020.1 or make a change in cultivation license size pursuant to section 15020.2; and
- (5) The name, phone number, email address, and signature of the designated primary contact person or designated responsible party for the cultivation licensee submitting the request.

(f) The Department shall verify that all requirements for modifying a cultivation license renewal date have been met. If all requirements have been met, the Department shall notify the cultivation licensee in writing that the requirements for the requested modified renewal date have been met and shall disclose the fee the cultivation licensee must pay for the Modified License Term or the amount that will be refunded by the Department.

(g) To determine the fee that must be paid for the Modified License Term or the amount that will be refunded to the cultivation licensee by the Department, the Department shall:

(1) Determine the gross amount of any credit due from the Department to the cultivation licensee. To determine this amount, the Department shall:

(A) Determine the Prorated Daily License Fee for the current cultivation license.

(B) Multiply that Prorated Daily License Fee by the number of days the current cultivation license would have remained valid in the absence of any change to its renewal date, counting from the date the cultivation licensee submitted a request pursuant to subsection (e) until the Original Renewal Date.

(2) Determine the gross amount of the fee due from the cultivation licensee to the Department for the Modified License Term. To determine this amount, the Department shall:

(A) Determine the Prorated Daily License Fee for the cultivation license’s Modified License Term.

(B) Multiply that Prorated Daily License fee by the number of days remaining on that cultivation license, counting from the date the cultivation licensee submitted a request pursuant to subsection (e) until the cultivation licensee's requested modified license renewal date.

(3) Determine the net difference between the gross amount of the credit due from the Department to the cultivation licensee pursuant to subsection (g)(1) and the gross amount of the fee due from the cultivation licensee to the Department pursuant to subsection (g)(2).

(A) If the gross amount of the credit due pursuant to subsection (g)(1) exceeds the gross amount of the fee due pursuant to subsection (g)(2), that net difference shall be refunded to the cultivation licensee by the Department. Refunds issued by the Department shall not exceed the license fee subject to the Modified License Term.

(B) If the gross amount of the credit due pursuant to subsection (g)(1) is less than the gross amount of the fee due pursuant to subsection (g)(2), the cultivation licensee shall pay that net difference to the Department. Payment shall be due within 30 calendar days of the date of the notification from the Department required by subsection (f).

(h) Notwithstanding section 15014.1(h)(1), cultivation licensees who have obtained a fee deferral pursuant to section 15014.1 shall pay all license fees in full within six months of the deferral being granted, or prior to the modified license renewal date, whichever is sooner.

(i) Cultivation licensees may request to be placed in Limited Operations Status pursuant to section 15020.1 or change to a Reduced-Size Cultivation License pursuant to section 15020.2 for the duration of the Modified License Term.

(j) A cultivation licensee may only modify the renewal date of a cultivation license pursuant to this section once for each cultivation license.

Authority: Section 26061.5, Business and Professions Code. Reference: Sections 26012, 26050 and 26061.5, Business and Professions Code.