State of California
Department of Cannabis Control
California Code of Regulations, Title 4, Division 19
Notice of Proposed Rulemaking Action:
Pesticide Testing

Notice is hereby given that the Department of Cannabis Control (Department) proposes to adopt the amended regulations described below after considering all comments, objections, and recommendations regarding the proposed action.

Public Hearing

The Department will hold a virtual public hearing on **Tuesday, July 29, 2025**, beginning at **10:00 a.m.**

Attendees may participate via WebEx online meeting platform or telephone conferencing. To participate via WebEx online meeting platform, please contact Randy Allen at (916) 465-9025 or Randy.Allen@cannabis.ca.gov by 4:30 p.m. on Monday, July 28, 2025, to request a link to the meeting. A link to the meeting will also be posted on the Department's website no later than 9:00 a.m. the day of the hearing.

For those who wish to attend the hearing in person, including those who require reasonable accommodations, limited seating will be available in the Department Hearing Room, 2920 Kilgore Road, Rancho Cordova, CA 95670. Please contact Randy Allen at (916) 465-9025 or Randy.Allen@cannabis.ca.gov by 4:30 p.m. on Monday, July 28, 2025, to request to attend the hearing in person or by 4:30 p.m. on Tuesday, July 15, 2025, if reasonable accommodations are necessary.

Participants will be given instructions on how to provide oral comment once they have accessed the hearing. The hearing will proceed on the dates noted above until all testimony is submitted or 1:00 p.m., whichever is later. At the hearing, any person may present oral or written statements or arguments relevant to the proposed action. The Department requests, but does not require, that persons who make oral comments at the hearing also submit a written copy of their testimony via email.

Written Comment Period

Any interested person, or their authorized representative, may submit written comments relevant to the proposed regulatory action by mail or email to:

Department of Cannabis Control
Legal Affairs Division

2920 Kilgore Road
Rancho Cordova, CA 95670
E-mail: publiccomment@cannabis.ca.gov

The written comment period closes on **Monday, July 28, 2025**. To be considered by the Department, a comment must be received by **July 28, 2025**.

Authority

Business and Professions Code section 26013.

Reference

Business and Professions Code sections 26100, 26104, and 26110.

Informative Digest / Policy Statement Overview

Summary of Existing Laws and Effect of the Proposed Action

The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) (Bus. & Prof. Code, § 26000 et seq.) generally governs commercial cannabis activity in California. Business and Professions Code (BPC) section 26100 requires all cannabis goods to be tested by a licensed testing laboratory before being sold to consumers, and generally authorizes the Department to implement regulations governing required testing. BPC section 26060(c) requires the Department of Pesticide Regulation (DPR) to develop guidelines for action levels for pesticide residues in harvested cannabis. BPC section 26100(d)(2) requires the Department to consider DPR's guidelines when establishing maximum allowable levels of contaminants, including pesticide residues, in representative samples of cannabis goods.

Existing provisions within California Code of Regulations (CCR), title 4, division 19, chapter 6 further implement, interpret, and make specific the above-referenced MAUCRSA statutes. Existing section 15719 ("Residual Pesticides Testing") establishes action levels for pesticide residues and related procedural testing requirements. These action levels were adopted in 2017 by the Department's predecessor, the Bureau of Cannabis Control (BCC) under the Department of Consumer Affairs, based on guidance DPR provided to BCC at that time. Existing section 15731 establishes acceptable methods of calculating limits of detection (LOD) and limits of quantitation (LOQ), which testing laboratories must use when developing their pesticide residue test methods.

The changes proposed in this rulemaking action would revise existing action levels for currently tested pesticides and establish new action levels for additional pesticides, all of which are set according to new guidance provided by DPR in December 2024. The

proposed changes would also update and refine acceptable methods of LOD and LOQ calculation.

Evaluation of Inconsistency with Federal Laws

The United States Drug Enforcement Administration lists cannabis as a Schedule 1 Drug under the Controlled Substances Act (21 U.S.C. § 812). This means that commercial cannabis activity is illegal under federal law. However, California, through the MAUCRSA and other laws, has decriminalized the cultivation, sale, and possession of cannabis goods for persons aged 21 or older and for medicinal patients.

Objectives and Anticipated Benefits of the Proposed Regulations

The objectives of this proposed regulatory action are implementing improved pesticide testing protocols and harmonizing laboratory testing practices. Testing requirements that prioritize human health and mandate scientifically rigorous testing practices support the Department's goal of a safe, well-regulated market. Consumers will benefit from reduced risk of pesticide exposure as a result of updated action levels. This is especially beneficial for medical cannabis patients who may be immunocompromised and face greater risk from exposure to residual pesticides due to underlying health conditions. Increased standardization between licensed laboratories reduces the opportunities for lab shopping, which benefits both consumers and the regulated cannabis industry. When cannabis and cannabis products sold in the legal market are reliably tested, accurately labeled, and shown to be free from contaminants, consumers have greater incentive to purchase through licensed retailers rather than risking their health on cannabis sold in the illicit market. Offering safe cannabis and cannabis products gives licensed businesses an advantage in the marketplace and incentivizes participation in the regulated cannabis market.

Evaluation of Inconsistency/Incompatibility with Existing State Regulations

After careful evaluation, the Department has determined that the proposed changes are not inconsistent or incompatible with existing regulations.

Disclosures Regarding the Proposed Action

The Department has made the following initial determinations:

- Mandate on local agencies or school districts: None.
- Cost or savings to any state agency: The Department will incur costs of ensuring that licensed testing laboratories are accredited to test all required pesticides and reviewing an increased number of remediation requests resulting from an increased number of failed tests. These costs are expected to be minor and will

be absorbable within existing resources. The proposed regulations are not expected to have any fiscal impact on any other state agencies.

- Cost to any local agency or school district required to be reimbursed in accordance with Government Code sections 17500 through 17630: None.
- Other nondiscretionary cost or savings imposed upon local agencies: None.
- Cost or savings in federal funding to the state: None.
- Cost impacts on a representative private person or business: For a typical business, including a small business, one-time up-front expenses of $935,420 and annual recurring expenses of $427,590.
- Effect on housing costs: None.

Significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states

The Department has made an initial determination that these regulatory changes may have a significant, statewide adverse economic impact directly affecting licensed testing laboratories. Many, if not all, of these businesses would need to upgrade their instruments to be capable of testing at lower LOQs. Recalibrating their methods for lower LOQs also necessitates revalidating tests, which requires the work of highly educated analytical chemists. Achieving lower LOQs would also require additional time spent preparing samples and calibrating instruments, longer chromatographic total runtime, additional quality control checks, more frequent equipment downtime for maintenance, and more detailed data analysis.

However, these regulatory changes will not affect the ability of California businesses to compete with businesses in other states because legally produced cannabis goods cannot be transported between states; thus, goods produced in California cannot be tested by any out-of-state laboratories.

The Department has considered proposed alternatives that would lessen any adverse economic impact on business and invites you to submit proposals. Submissions may include the following considerations:

- The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to businesses.
- Consolidation or simplification of compliance and reporting requirements for businesses.
- The use of performance standards rather than prescriptive standards.

- Exemption or partial exemption from the regulatory requirements for businesses.

Results of the Standardized Regulatory Impact Assessment

The Department believes that the proposal will create approximately 304 new jobs while eliminating approximately 1144 existing jobs. The Department believes that while the proposal may create new businesses, it will eliminate 42 existing businesses. The Department believes that larger laboratories will be at a competitive advantage over smaller laboratories when these changes take effect. The Department believes the proposal would result in an increase in investment in California of approximately $20 million. The Department believes the proposal will incentivize innovation in laboratory testing methods. The Department believes the proposal will improve the health of California residents, worker safety, and the state's environment.

Summaries of, and Responses to, DOF Comments on the Standardized Regulatory Impact Assessment

Comment #1: All fiscal impacts must be disclosed, regardless of magnitude, and the SRIA should include a discussion of impacts on state revenue.

Response #1: The SRIA has been edited to show the estimated fiscal costs. All costs for implementing the proposed regulations would be absorbed within the existing Department budget The Department may see minor increased costs for workload associated with updating internal laboratory test methods to align with the new action levels and additional pesticides, and for purchasing additional consumable laboratory supplies and updating training materials, The costs are expected to be no more than $50,000 and are absorbable within existing resources.

The SRIA has been edited to further highlight and provide additional details requested by DOF regarding impacts to state tax revenues. The SRIA applies an economic model of the California cannabis market that is used to estimate the impact of the proposed regulations, which includes changes in producer and consumer surplus. A mean, upper, and lower-bound estimate is provided to illustrate the range of potential outcomes based on uncertainty in some of the market parameters applied to the economic model. Additional one-time and ongoing investments by labs and associated businesses will also contribute to an increase in state tax revenues.

Sections 4.5.6, 2.4, and 4.6.1 of the SRIA have been revised accordingly.

Comment #2: A second regulatory alternative to the proposal must be provided.

Response #2: The Department has considered alternatives to the proposed regulations that are based on stakeholder input and grounded in available scientific evidence and data. The alternative regulation included in the SRIA for partial validation was supported

by available data, science, and industry feedback. There is technology currently available to labs that would allow for testing at reduced thresholds, which would reduce economic costs as shown in the SRIA. The Department did not identify a scientific basis for a more stringent testing alternative because (i) lab testing equipment and technology is not able to apply more stringent LOQ and (ii) the revalidation process is already required under the proposed regulations. Therefore, the Department was not able to identify a scientific basis or a more stringent alternative that would comply with Government Code section 11346.2(b)(4)(B) to not "artificially construct alternatives or describe unreasonable alternatives."

Comment #3: Clarify the number of laboratories impacted by the proposal and update the impact analysis accordingly.

Response #3: The direct cost of the proposed regulations, and alternatives, would affect all licensed laboratories that conduct compliance testing. Some of those laboratories would close (SRIA estimate is 50%), labs that remain in business would process more cannabis, and those labs would incur the direct costs calculated in this SRIA. In short, the direct cost includes the additional cost of the proposed regulations for exiting labs, and lab exits reflect the response to increased costs and changing market conditions. In the case of labs closing, new or existing labs would incur additional regulatory costs as they enter the market, expand operations to meet testing demand, and/or takeover the regional market space of exiting labs. Section 4.5.3 of the SRIA has been edited to clarify these impacts.

Comment #4: Disclose indirect and induced impacts separately without netting.

Response #4: Gross and net, as well as direct, indirect, and induced economic impacts are included in the analysis and described in the SRIA. The economic impact summary tables show the net economic impact. The SRIA has been updated to include a bullet-list summary of each of the components of the direct, indirect, and induced effects individually, as well as showing the net impact in section 4.4.

The gross impact to laboratories equals an additional $71.21 million in gross output value, including all indirect and induced effects. The gross impact to the retail sector equals a loss of $96.24 million in gross output value, including all indirect and induced effects. The net direct, indirect, and induced impacts are:

- Direct Effects. 969 jobs, $32.86 million in labor income, $42.99 million in value added, and $83.80 million in output.
- Indirect Effects. 245 jobs, $17.45 million in labor income, $25.43 million in value added, and $39.08 million in output.
- Induced Effects. 234 jobs, $15.03 million in labor income, $26.63 million in value added, and $44.58 million in output.

Comment #5: Clarify the costs of compliance in the subsection for one-time material costs.

Response #5: On p. 33, the SRIA states that, “method validation may fail during initial attempts and require repetition.” The following paragraph, “One-time labor costs,” describes that two chemists would conduct two validations each (i.e., one repetition per chemist). Validation of testing methods requires separate kits for LC-MS and GC-MS. Therefore, each chemist would need 4 kits each, (2 for LC-MS and 2 for GC-MS, for a total of 8 kits -- 4 for LC-MS and 4 for GC-MS). The final sentence in “One-time materials costs,” on p.33 has been corrected to read, “8 mix kits per laboratory, 4 of each type.” The analysis is unchanged.

Small Business Determination

The proposed regulations would affect approximately 5,500 businesses, approximately 97 percent of which are estimated by the Department to be small businesses. These businesses include licensed laboratories, cultivators, and retailers.

Consideration of Alternatives

In accordance with Government Code section 11346.5, subdivision (a)(13), the Department must determine that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, as effective and less burdensome to affected private persons than the proposed action, or more cost-effective to affected private persons and equally effective in implementing the statutory policies or other provisions of law.

Public protection remains our highest priority, which is why the Department is proposing to adopt DPR’s risk-based, health-protective action levels. At the same time, the Department is committed to ensuring that regulatory requirements are practical and achievable for licensees. To that end, the Department welcomes timely and relevant comments on this proposal, particularly regarding the feasibility of the updated action levels and LOQs for each pesticide. Specifically, the Department seeks input on whether these levels are achievable with current equipment. If not, the Department seeks input on what levels are more reasonable, and what investments would be needed for compliance.

Contact Persons

Inquiries concerning the proposed rulemaking action may be directed to:

Nicole Niermeyer
Department of Cannabis Control

2920 Kilgore Road
Rancho Cordova, CA 95670
916-465-9025
Regulations@cannabis.ca.gov

The backup contact person for these inquiries is:

Kaila Fayne
Department of Cannabis Control
2920 Kilgore Road
Rancho Cordova, CA 95670
916-251-4544
Kaila.Fayne@cannabis.ca.gov

Availability of Statement of Reasons, Text of Proposed Regulations, and Rulemaking File

The Department will make the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of the Notice of Proposed Action, the proposed text of the regulations, the Initial Statement of Reasons, and the STD. 399. Please direct requests to inspect or copy the rulemaking file to the contact person(s) listed above.

Availability of Changed or Modified Text

After considering all timely and relevant comments received, the Department may adopt the proposed regulations substantially as described in this notice. If the Department makes modifications that are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before adopting the regulations as revised. Please direct requests for copies of any modified regulations to the contact person(s) listed above. The Department will accept written comments on the modified regulations for the duration of the period of public availability.

Availability of The Final Statement of Reasons

Upon its completion, the Department will make copies of the Final Statement of Reasons available. Please direct requests for copies to the contact person(s) listed above.

Availability of Documents on the Internet

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulations with modifications highlighted, as well as the Final Statement of

Reasons, when completed, and modified text and notices thereof, if any, may be accessed via the Department's website at https://www.cannabis.ca.gov/cannabis-laws/rulemaking/.