

ADDENDUM TO THE FINAL STATEMENT OF REASONS

Additional Updates to the Initial Statement of Reasons

Corrections to Statements in the Initial Statement of Reasons

Section 8103 Owner and Financial Interest Holders

Reference is made that subdivisions (a) and (b) mirror BPC section 26001(al).

Reference should be made that only subdivision (a) mirrors BPC section 26001(al) not subdivision (b).

Section 8106 Cultivation Plan Requirements

Subdivision (a)(1) references water storage, but section 8106 does not require the designation of water storage in the cultivation plan.

Section 8109 Applicant Track-and-Trace Training Requirement

Reference is made to requirements for cultivators throughout this section. Reference should be made to the *account manager*, not the *cultivator*. Additionally, an incorrect reference was made regarding completion of online training within 10 days. The requirement in section 8109 is to register for the online training, not for the completion of the online training, within 10 calendar days of receiving notice from department that the application is received and complete.

Section 8202 General License Requirements

The information for subsection (d) had an incorrect statement regarding prohibition of a licensee from conducting business with unlicensed entities and individuals. Section 8202(d) prohibits a licensee from transferring cannabis to anyone other than a distributor licensed by the Bureau of Cannabis Control.

Section 8203 Renewal of License

The information for subsection (a) incorrectly stated that license renewals must be submitted at least 30 days before a license expires. Subsection (a) states that an application for renewal of a license shall be submitted to the department no earlier than 60 calendar days before the expiration of the license if the renewal form is submitted to the department at its office.

The information for subsection (b) incorrectly stated that if a renewal application is received prior to the expiration date, the licensee can continue to operate until the renewal application has been approved. Subsection (b) states that in the event an application for renewal is not submitted prior to the expiration of the license, the license must not sell any commercial cannabis until the license is renewed.

Section 8207 Disaster Relief

The information for 8207(h)(4) incorrectly referenced that the Department has determined that 10 business days is the appropriate time to allow a licensee to provide the Department with a request for relief. Section 8207(h)(4) provides for 10 calendar days, not business days.

Necessity for the Regulations

Section 8102 Annual License Application Requirements

Subsection (i)(13) requires disclosure of dismissed convictions which is necessary to perform a comprehensive review to determine if convictions have been dismissed to verify whether that can be used as evidence of rehabilitation as required in BPC section 26057. This subsection also excludes juvenile adjudications and traffic infractions because those do not pose a danger to public safety and therefore not required to provide this information in the application.

Section 8103 Owners and Financial Interest Holders

Subsections (b)(1) through (3) were necessary to clarify who would be considered an owner for the various entity types listed. This is consistent with who is commonly considered an owner of the entity types listed.

Subsection (c) is necessary to provide clarity to the applicant as to who the Department would consider a financial interest holder and required to be disclosed pursuant to the statute. The Department arrived at the definition of financial interest by reviewing BPC section 26051.5(d) as well as consulting with the Secretary of State and the other licensing authorities.

The Department determined subsection (d) was necessary to define who was not considered an owner or a financial interest holder to further provide clarity to applicants about who did and did not need to be disclosed in the application. Subsections (d)(1), (3), and (4) provide that a bank carrying an interest in a loan for the applicant entity, if the interest is a security, lien, or encumbrance on the property of the cannabis business, or a share of stock less than five percent in a publicly traded company do not need to be disclosed. The Department determined that these types of financial interests did not create an ownership interest or a significant enough financial interest such that disclosure was necessary.

Section 8106 Cultivation Plan Requirements

Subsections (b)(1)(A)-(C) require the applicant to indicate where pesticide and chemical storage will occur and where cannabis waste will be located if composted or other designated area and is necessary to ensure compliance with environmental

protection measures required for chemical storage and compliance with licensing requirements regarding disposal of cannabis waste. This is also necessary for the Department's enforcement staff to know where these areas are located for future inspections.

Section 8107 Supplemental Water Source Information

The department consulted with the State Water Resources Control Board on the regulatory provisions of this section. The State Water Resources Control Board are the subject matter experts and determined that all the information required in this section was necessary to verify the water source identified by the applicant. The Department relied on the State Water Resources Control Board's expertise for the requirements in this section.

Section 8108 Cannabis Waste Management Plan

The department consulted with CalRecycle on the regulatory provisions in this section. With respect to subsection (a), the applicant must identify if they are composting their cannabis waste on-site. The Department received a lot of feedback that cultivators commonly compost waste on-site. Additionally, it is necessary for applicants to identify what they are doing with their cannabis waste for compliance purposes and to ensure waste is not being diverted. Subsection (b) requires the applicant to identify if their waste will be collected by a waste hauler franchised or contracted with their local agency or a private hauler permitted by the local agency. The Department consulted with CalRecycle on this language to determine how to describe legitimate waste haulers, which is necessary to provide clear direction to applicants as to what waste haulers can be part of their waste management plan. With respect to subsections (c)(1)-(5) the Department relied on CalRecycle as the subject matter experts to provide the appropriate language and requirements for appropriate waste disposal of cannabis waste.

Section 8111 Priority Application Review

Subsection 8111(b)(1)-(6) sets forth the documents the applicant may provide to demonstrate that they qualify for priority review. These documents would provide adequate evidence of qualification for priority review and are necessary so that the Department can determine if the applicant qualifies for priority review. The Department reviewed what types of documents applicants should have if they were operating in compliance with the Compassionate Use Act prior to September 1, 2016 to develop this list.

Section 8203 Renewal of License

For subsection (a), the renewal application must be submitted no later than 5:00 p.m. Pacific Time one the last business day before the expiration of the license if it is submitted to the department's offices, but if submitted electronically, it must be submitted by 11:59 p.m. on the last business day before the license expires. The Department required the last business day before the license expires and a 5:00 p.m.

cutoff, this was necessary to ensure that staff would be on hand to receive and verify timely submission. With respect to electronic submission, the Department's licensing system can track the time it was submitted to ensure it was on the correct business day, but the Department determined it can be submitted by 11:59 p.m. because staff can still verify timely submission. This section is necessary to provide clear direction to licensees when they are required to submit the renewal and what would be considered late. Subsection (e)(1)-(8) specifies everything that is necessary to be included in the renewal application and is necessary for the license renewal applicant to know what they need to provide and for the Department to determine whether to issue the renewal. The Department determined this list be reviewing the application list and deciding which information would be necessary to process the renewal.

Section (f), subsections (2) and (3) are necessary to provide clarity to the license renewal applicant about when the Department will consider a license designation change and what they must do if the designation change is granted. License designation changes are only considered if the licensed premises contains only one A or one M license because changing a license designation is costly to the Department. This type of change requires a new license to be issued which requires staff time and additionally, new UUIDs would need to be issued for the CCTT system, since the UUIDs display the license number. These subsections were deemed necessary to ensure the licensee needs the designation changed and did not have any other opportunity to have both an A and M license. If the designation change is approved the licensee is required to order, apply, and report applicable plant and package UUIDs because their license number will have changed, and the tags and reporting will have to be transitioned to the new license.

Subsection (g) provides additional requirements for renewable energy sources that applicants must include in renewal applications beginning in 2022. Subsections (1)-(4) require licensees to disclose their energy use, including those from renewable sources. This requirement is based upon environmental protections recommended the Department's *Literature Review on the Impacts of Cannabis Cultivation* and was deemed necessary for environmental protection.

Section 8305 Renewable Energy Requirements

For section 8305 the Department consulted with the California Air Resources Board and relied on their expertise as subject matter experts for the requirement in this section and specifically the carbon offsets in subsections (a)(1) and (2) that would be available for licensees to meet the requirements.

Section 8308 Cannabis Waste Management

For this section, specifically subsections (f)-(j) the Department consulted with CalRecycle to ensure consistent and accurate references to the statutes and regulations referenced. Additionally, CalRecycle provided subject matter expertise on

this section to develop the language and the Department relied on that expertise for the necessary documents and information that licensees need to provide and retain.

Section 8603 Emergency Decisions

Throughout this section, the Department references cannabis, nonmanufactured cannabis products, and cannabis products. This is the only section in the regulations that references cannabis products because the Department anticipates that if it takes an emergency action this would be in extreme cases where cannabis products may be on site even though licensed cultivators cannot have cannabis products on site. If the Department did not include cannabis products this could potentially create a loophole for unlicensed products to enter the commercial cannabis market. It was necessary for the Department to broadly include cannabis products in these decisions to ensure public safety and for preservation of evidence of illegal activity.

Non-substantive Changes made to the Regulation Text during OAL Review

General minor technical changes were made throughout the regulation text during OAL review of this action to correct grammar, punctuation, numbering, nonconformities with existing emergency text, and underlining and strikeout to show changes to the emergency text. Additionally, the following specific non-substantive changes were made.

Section 8000

Added “cannabis or” before “non-manufactured cannabis products” to subsection (ab). This change is non-substantive because it is the only legally tenable interpretation of the statute.

Section 8100

Changes made to remove regulatory provisions for which statutory authority under BPC section 26050.1 ended on December 31, 2018. The change is non-substantive because there is no longer statutory authority for the language that is being deleted.

Section 8101

BPC section 26180 was added as a reference citation to clarify that statutory language was used as a reference in developing the language in section 8101. This change is non-substantive because it is changing a reference citation.

Section 8102

BPC sections 26057, 26060, and 26069 were added as reference citations to clarify that statutory language was used as a reference in developing the language in section 8102. This change is non-substantive because it is changing a reference citation.

Section 8203

The words “pursuant to Article 5 of this chapter” were added to section 8203(f)(3) to clarify where the processes and procedures are found for ordering, applying and reporting plant and package UIDs. This change is non-substantive because it does not materially alter any right, responsibility or other regulatory element.

Section 8206

The title of this section was changed by removing the word Licensee and adding the word Owner to be consistent with this section. Section 8206 refers to an owner and not a licensee. This change is non-substantive because it does not materially alter any right, responsibility or other regulatory element.

Section 8213

The words “and its implementing regulations” were added where reference was made to Chapter 5 of division 5 of the Business and Professions code to clarify that there are regulations specific to weighing devices and weighmasters.

This change is non-substantive because it does not materially alter any right, responsibility or other regulatory element.

A new subsection (f) was created by separating the text that comes after the first sentence in subsection (e). This change was made to clarify that the language in subsection (f) is meant to address the requirements of a licensed weighmaster.

This change is non-substantive because it is reordering a regulatory provision.

Section 8308

Section 8308(i) was changed by removing the words “and until the cannabis waste becomes a new, reused, or reconstituted product” in order to clarify that the licensee is only responsible to account for the cannabis waste while it is on the licensed premises. This change is non-substantive because it retracts language proposed in the 15-day modified text so that it is consistent with language proposed in the 45-day text.

Section 8403

Section 8403(a) was changed by adding the words “in Article 5 of this chapter” to the end of the first sentence. This change was made to clarify where the requirement is prescribed by the department. This change is non-substantive because it does not materially alter any right, responsibility or other regulatory element.

Section 8404

The words “by the licensee” were removed from subsection (a) to clarify that the track-and-trace account managers or users are identified pursuant to the requirements in section 8402. This change is non-substantive because it does not materially alter any right, responsibility or other regulatory element.

Table A page 56

The text for BPC 26032, 3 CCR 8204(c)(3) and 3 CCR 8204(c)(4) was changed to clarify that notification must be made within 48 hours. This change in Table A was made to be consistent with the language in section 8204.

The description for BPC 26031, 3 CCR 8205 was changed from (a) to (first paragraph) to be consistent with the language in section 8205.

These are non-substantive changes because they are a restatement of the law.

Table A page 57

The text for BPC 26031, 3 CCR 8206(a) was changed to add the words “of an owner’s successor in interest as specified in section 8206(a) and remove the word “licensee” and replace with “an owner” to be consistent with the language in section 8206(a).

This is a non-substantive change because it is a restatement of the law.

Table A page 59

The text for BPC 26031, 3 CCR 8213(e) was changed, by changing the reference from 8213(a) to 8213(e) to be consistent with the reference to the correct section within the chapter.

This is a non-substantive change because it is a restatement of the law.

Table A page 60

The text for BPC 26031, 3 CCR 8301 was changed by removing the word “nonmanufactured”. This change was made to be consistent with the language in section 8301.

This is a non-substantive change because it is a restatement of the law.

Table A page 61

The text for BPC 26031, 3 CCR 8308(e) was removed to avoid inconsistency within the regulations.

This is a non-substantive change because it is a restatement of the law.

Table A page 64

The text for BPC 26031, 3 CCR 8402(e) was changed by deleting the word “connectivity” and adding the words “for any reason”. This change was made to be consistent with the language in section 8402(e).

This is a non-substantive change because it is a restatement of the law.

Table A page 65

The text for BPC 26031, 3 CCR 8403(a) was changed by adding the words “of the

licensee's designated account manager" and the words "pursuant to Article 5 of this chapter" to be consistent with the language in section 8403(a).

This is a non-substantive change because it is a restatement of the law.

Table A page 68

The text for BPC 26031, 3 CCR 8405(a) was changed by removing the words "licensed entity" and replacing with "licensee". This change as made to be consistent with the language in section 8405(a).

This is a non-substantive change because it is a restatement of the law.

Table A page 69

The text for BPC 26031, 3 CCR 8406(b) was changed by removing the word "dry" and replacing with "net". This change was made to be consistent with the langue in section 8406(b).

The text for BPC 26031, 3 CCR 8407(a) was changed by adding the words "Within 30 calendar days of receipt of UIDs ordered pursuant to section 8403" and removing the words "temporary" and "timely and properly". These changes were made to be consistent with the language in section 8407(a).

These are a non-substantive change because they a restatement of the law.

Table A page 70

The text for BPC 26031, 3 CCR 8407(b) was changed by adding the words "Within 30 calendar days of receipt of UIDs ordered pursuant to section 8403" and removing the words "temporary" and "timely and properly". These changes were made to be consistent with the language in section 8407(b).

This is a non-substantive change because it is a restatement of the law.

Table B page 72

The reference to BPC 26031, 3 CCR 8308(k) was changed to reference BPC 26160. This change was made to be consistent with all references in Table B. The original reference was incorrect and an oversight.

This is a non-substantive change because it is a restatement of the law.

Section 8604

A change was made to the reference citations by changing from the range of Government Code sections 11460.10 through 11460.80, to a reference citation for each section within the range of Government Codes. This change was made to clarify that the language within Government Code sections 11460.10, 11460.20, 11460.30, 11460.40, 11460.50, 11460.60, 11460.70, and 11460.80 were used as reference citations when drafting the language for section 8604.

This change is non-substantive because it is changing a reference citation.

Duplication of Statute

Section 8103 Owners and Financial Interests Holders

Section 8103(d)(2) mirrors BPC section 26051.5(d) and this section is included for clarity and ease of reference.

Section 8113 Substantially Related Offenses Review

Section 8113 mirrors BPC section 26057(b)(4) and this section is included for clarity and ease of reference.

Section 8115 Notification and Grounds for Denial of a License; Petition for Reconsideration

Section 8115(c) mirrors BPC section 26058 and this section is included for clarity and ease of reference.

FINAL STATEMENT OF REASONS

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CALIFORNIA CODE OF REGULATIONS
Title 3. FOOD AND AGRICULTURE
Division 8. CANNABIS CULTIVATION
Chapter 1. CANNABIS CULTIVATION PROGRAM

Final Statement of Reasons

The Initial Statement of Reasons is incorporated by reference.

I. General

A. Procedural History of Rulemaking

These regulations have been noticed two times for public review and comment:

45-Day Public Review and Comment Period:

Notice for the originally proposed regulatory text was offered for public review and comment from July 13 to August 27, 2018. Public hearings on the proposed regulations were held on July 24, July 26, July 31, and August 28, 2018. The California Department of Food and Agriculture (Department or CDFA) received written comments from 604 entities and individuals during this comment period and 47 individuals provided verbal comments at the public hearings.

15-Day Notice of Modified Changes:

Notice for changes made to the originally proposed text following a review of comments received was offered for public review and comment from October 19, 2018 through November 5, 2018. Revisions to the modified text of the regulations were distributed to all persons whose comments were received during the 45-day public comment period, including those who provided verbal comments at the public hearings, and all persons who requested notification of the availability of such changes. These documents were also posted on the Department's website. This public comment period generated 122 written comments.

In addition to the regulatory text first proposed on July 13, 2018, and subsequently revised on October 19, 2018, this Final Statement of Reasons reflects nonsubstantial and sufficiently related changes made to the regulations following the 15-day public review and comment period. These changes are summarized below in the section entitled “Changes to the Modified Text.”

B. Local Mandate Determination

The proposed regulations do not impose any mandate on local agencies or school districts. Pursuant to Business and Professions Code section 26200, local jurisdictions have the authority to adopt and enforce local ordinances to regulate businesses licensed under the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), including the right to completely prohibit the establishment or operation of one or more types of businesses licensed under MAUCRSA within the local jurisdiction.

C. Alternatives Determination

The Department has determined that no reasonable alternative would be more effective in carrying out the purpose for which the regulations are proposed, would be as effective and less burdensome to affected private persons than the proposed regulations, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. In addition to the alternatives discussed in the Initial Statement of Reasons and the Notice of Proposed Action, the Department’s reasons for rejecting any new proposed alternatives are set forth in the responses to the comments.

II. Update to the Initial Statement of Reasons

A. Modifications Provided for in the 15-Day Comment Period

The modifications to the text as originally proposed, identified below by their respective section and subdivision numbers to Title 3 of the California Code of Regulations, were as follows:

Universal Change to Regulations: The Department changed “business days” to “calendar days” throughout for consistency throughout the Department’s proposed regulations and with the Bureau of Cannabis Control’s (Bureau or BCC) and the Department of Public Health’s (DPH) proposed regulations; notably with regards to the California Cannabis Track-and-Trace (CCTT) system which is shared by all three cannabis licensing authorities.

ARTICLE 1. DEFINITIONS

Section 8000. Definitions.

8000(d): Added the word “or cultivar” to the definition of “batch.” This change was in response to a comment received during the 45-day comment period requesting inclusion of the word “cultivar” and stakeholder support of the term. Cultivar is a commonly used botanical term, unlike the current, unstandardized, term used by the industry, “strain.”

8000(u): Added clarifying text to the definition of “net weight.” This change ensures licensees accurately enter the appropriate information into the CCTT system with further clarity than the previous definition and was in a direct response to a comment received during the 45-day comment period.

8000(z): Removed an “e” from the word “licensee.” This change ensures individual licenses remain contiguous, will prevent individual licenses from overlapping, and will prevent licensees from “stacking” multiple licenses on the same premises. This modification was in response to comments received with concerns about license stacking, will assist the Department in streamlining the application review process for applications with multiple licenses, and will allow the Department to more readily and clearly identify regulatory compliance on properties where multiple licenses are present. However, as explained below in “Changes to the Modified Text,” the Department reverted back to the originally proposed language in the final regulation text due to feedback received during the 15-day comment period.

ARTICLE 2. APPLICATIONS

Section 8100. Temporary Licenses.

8100(d): Added the word “calendar” to clarify the type of days temporary licenses will be deemed valid from their effective date. This language was included to add clarity for compliance and enforcement purposes.

8100(e): Added the word “calendar” to clarify the type of days to be counted towards temporary license extensions. This language was included to add clarity for compliance and enforcement purposes.

Section 8102. Annual License Application Requirements.

8102(a): Added language specifying that applicants shall identify the business entity structure type. This language is necessary to ensure the Department receives the correct documentation from the applicant to verify the business entity type.

8102(g); 8102(h); 8102(i)(8): Added language requiring the designated responsible party to specify his or her preferred method of contact. This language helps enable the Department to communicate effectively with applicants.

8102(p): Language was modified to clarify acceptable documentation from the Water Quality Control Boards for processor license type(s) and cultivation license type(s) applications. This language was in response to comments received during the 45-day comment period, coordination with the State and Regional Water Quality Control Boards, and the need to specify the requirements for license types with different impacts. The Department recognizes impacts on water quality for processor license types are different from cultivation license types and as such, warrant different requirements. The language for acceptable documentation for cultivation license types is now the specific name of the document generated by the Water Board (i.e., Notice of Applicability letter), instead of simply requiring “evidence of enrollment” in their program. Likewise, the language for acceptable documentation for processor license types not required to enroll in water quality protection programs is now the specific name of the document generated by the Water Board (i.e., Notice of Non-Applicability).

8102(r)(1): Language was modified to clarify documentation needed by the Department to adequately address compliance with the California Environmental Quality Act (CEQA) in application review. This language was in response to comments received during the 45-day comment period requesting clarity of qualifying documentation and further development of the Department's review processes.

8102(bb): Added language requiring applicants to attest that they will have employees successfully complete a Cal-OSHA 30-hour general industry outreach course within one year of receiving a license. This language was in direct response to Assembly Bill 2799 (Jones-Sawyer, Chapter 971, Statutes of 2018) which amended section 26051.5 of the Business and Professions Code to require applicants complete the specified outreach course. The Department is implementing the statutory provision as prescribed.

Section 8105. Property Diagram.

8105(b): Added language requiring areas shared amongst other licenses to be identified on applicant property diagrams. This language was in response to comments received during the 45-day comment period requesting guidance on shared space. Additionally, requiring applicants to identify shared areas will streamline the review process and allow the Department to more readily and clearly identify regulatory compliance on properties where multiple licenses are present.

8105(d): Added language requiring applicants to identify and label the beneficial use type for all water sources. This language was added in response to inter-agency coordination with the California State Water Resources Control Board. Additionally, this language will streamline the review process and allow the Department to readily identify regulatory compliance for water sources used for cannabis irrigation versus those used for other purposes on the property.

Section 8106. Cultivation Plan Requirements.

8106(a)(1)(A), (B), (D), (E), (I), (J), and (K): Added language to clarify shareable and non-shareable areas to require identifiable canopy area boundaries be explicitly identified on

premises diagrams and to clarify that cannabis plants may not extend over identifiable boundaries.

The shareable area(s) language was in response to comments received during the 45-day comment period requesting guidance on shared spaces between licenses and in the Department's effort to support streamlined cultivation operations by permitting licensees to share areas for which the activity does not require an additional state license. Specifically, pesticide and agricultural chemical storage area(s), composting area(s), secured area(s) for cannabis waste, and harvest cannabis storage area(s) do not require an additional state license and are reasonable areas to share licenses held by the same licensee.

The areas which require an additional license type to complete the prescribed activity amongst multiple licensees held by a single licensee are not shareable and include the immature plant areas (as this requires a nursery license), designated processing areas (as this requires a processing license), and designated packaging areas (as this requires a processing area). Shareable areas amongst multiple licenses held by one licensee are identified in section 8106, subdivision (a)(1)(J). Areas not shareable amongst multiple licenses held by one licensee are identified in sections 8106, subdivision (a)(1)(B), (D), and (E). Further, the Department identified that common use areas, including hallways and bathrooms, are reasonable to be shared amongst multiple licensees as they do not require an additional license and are not directly related to licensed activities as identified in section 8106, subdivision (a)(1)(K).

The identifiable boundary language in section 8106, subdivision (a)(1)(A) was in response to Department staff field observations and the need to clarify canopy boundaries for accurate and consistent application of canopy measurements across licenses and the various types of boundaries identified by applicants. This language was deemed necessary for fair and consistent canopy measurements and to ensure consistent compliance actions statewide. However, due to comments received, and as explained below in "Changes to the Modified Text," the modified identifiable boundary language in section 8106(a)(1)(A) was removed following the 15-day comment period.

In totality, the modifications to section 8106, subdivision (a) clarify areas of confusion amongst applicants and will assist the Department in streamlining its application review process.

8106(a)(3)(c): Added language requiring the Specialty Cottage, Specialty, Small, or Medium license applicant to attest that he or she will contact the County Agricultural Commissioner regarding legal pesticide use on cannabis prior to applying pesticides. This language was provided by the Department in coordination with County Agricultural Commissioners and the California Department of Pesticide Regulation to ensure applicants properly comply with pesticide laws.

8106(b)(1): Language was restructured to clarify that research and development areas for nursery licenses are only required to be identified if licensees will be conducting that activity on the premises. This modification was in response to comments received during the 45-day comment period requesting clarity and to streamline the Department review process.

8106(b)(2): Added language requiring the nursery license applicant to attest that he or she will contact the County Agricultural Commissioner regarding legal pesticide use on cannabis prior to applying pesticides. This language was provided by the Department in coordination with County Agricultural Commissioners and the California Department of Pesticide Regulation to ensure applicants properly comply with pesticide laws.

Section 8108. Cannabis Waste Management Plan.

8108(c)(6)(A)-(C) and (d): Added language allowing additional waste disposal methods for cannabis waste management plans.

Following the addition of the words “and feeding to non-commercial livestock” to section 8108, subdivision (d) (as noticed in the 15-day comment period), these words were removed from the final proposed regulation text. The removal of the words “and feeding to non-commercial livestock” was necessary because more research needs to be completed before this option can be cited in the Department’s regulations.

The modified and final proposed regulation text provides licensees the option of waste disposal at recycling centers meeting certain requirements and via reintroduction of cannabis waste into agricultural operations. The added language regarding additional waste disposal methods was in response to comments received during the 45-day comment period and in coordination with the Department of Resources Recycling and Recovery (CalRecycle), Department field observations, and to support waste recycling.

Section 8109. Applicant Track-and-Trace Training Requirement.

8109(a): Modified the language stating that an applicant's *designated responsible party* would be the licensee's CCTT system account manager. Under the modified text, the applicant must designate an *owner* to be the CCTT system account manager, consistent with concurrent changes made to section 8402 of the proposed regulations. This amendment was based on comments received during the 45-day comment period. The Department agreed that this provision should be consistent with BCC and DPH regulations which simply require a CCTT account manager be an owner, therefore the term designated responsible party was replaced with owner. Further, requiring an owner to assume responsibility for track-and-trace training will ensure the owner is familiar with reporting requirements and capable of designating appropriate users to the system to ensure responsible and informed tracking of cannabis.

Section 8115. Notification and Grounds for Denial of License; Petition for Reconsideration.

8115(c): Added the word "calendar" to clarify the type of days to be counted towards written petitions for reconsideration after service of an application denial. This language was included to add clarity for compliance and enforcement purposes. "For reconsideration" was added to align with the section title and clarify what written petition applicants should file if an application is denied.

ARTICLE 3. CULTIVATION LICENSE FEES AND REQUIREMENTS

Section 8212. Packaging and Labeling of Cannabis and Nonmanufactured Cannabis Products.

8212(a)(4): Added language incorporating a provision requiring packages for retail sale to be child-resistant beginning January 1, 2020. This language was in response to comments received during the 45-day comment period and in coordination with the Department of Public Health and the Bureau of Cannabis Control. It is intended to clarify requirements for packaging of cannabis by a cultivation licensee for retail sale.

Section 8213. Requirements for Weighing Devices and Weighmasters.

8213(e): Added language specifying when weighmaster certificates need to be issued. This language was in response to comments received during the 45-day comment period requesting specificity and in coordination with County Agricultural Commissioners and the Department's Division of Measurement Standards.

ARTICLE 4. CULTIVATION SITE REQUIREMENTS

Section 8306. Generator Requirements.

8306(b) and (c): Added language clarifying generator use requirements. This language was in response to comments received and is necessary to ensure consistent guidance to licensees which will allow them to provide the appropriate documentation for generator use. This language was developed in coordination with the California Air Resources Board.

Section 8308. Cannabis Waste Management.

8308(g)(2): Modified language to simplify and specify waste reporting receipt requirements. This modification was in response to comments received during the 45-day comment period from waste haulers and was developed in coordination with the Department of Resources Recycling and Recovery (CalRecycle).

8308(i): Added language ensuring cannabis waste hauled to recycling centers is adequately documented in the track-and-trace system. This language was in response to comments received during the 45-day comment period and was developed in coordination with CalRecycle.

ARTICLE 5. RECORDS AND REPORTING

Section 8400. Record Retention.

8400(a): Changed “subsection” to “section” for consistency. The words “of this chapter” were added to clarify that the section referenced is 8400, subdivision (d) of the Cannabis Cultivation Program regulations and to be consistent with the rest of the document.

8400(b): Amended to allow required on-premises records to be stored electronically in addition to hard copy. This amendment to the proposed regulations was based on comments received during the 45-day comment period. The Department agrees that electronic file storage is reasonable and complies with the requirements set forth in Business and Professions Code section 26160.

It is necessary for required records and documentation to be retained and made readily available to Department staff, who will be inspecting licensed facilities to determine compliance with California’s cannabis licensing requirements. The Department added the words “[a]ll required” records as it relates to the manner in which records must be stored for purposes of inspection. The Department changed the word “provided” to “examined” to clarify that the records must be kept on-site so that an inspector can review records during an inspection or investigation. “Provided” could have been interpreted to mean that the records could be delivered to the premises by another person at the time of an inspection or given to the inspector at a later time, rather than at the time of an inspection or investigation.

Section 8401. Sales Invoice or Receipt Requirements.

8401(e): Struck subdivision (e)(2) from section 8400 and incorporated that language into subdivision (e)(1). This amendment to the proposed regulations was based on a comment received during the 45-day comment period. The Department agreed that since section 8401 generally provides a list of elements that are required to be entered on a sales invoice or receipt; rules regarding weighing devices are more appropriately located in section 8401, subdivision (e)(1) which specifically addresses weight requirements. Original section 8400, subdivision (e)(3) was renumbered to section 8400, subdivision (e)(2) due to the incorporation of the original section 8401, subdivision (e)(2) into section 8401, subdivision (e)(1).

Section 8402. Track-and-Trace System.

8402: Removed the language allowing a designated responsible party or designated agent to be the CCTT system account manager. This amendment to the proposed regulations was based on comments received during the 45-day comment period. The Department agreed that this provision should be consistent with BCC and DPH regulations which simply require a CCTT account manager be an owner, therefore the terms “designated responsible party” and “designated agent” were removed. Further, requiring an owner to assume responsibility for track-and-trace training will ensure the owner is familiar with reporting requirements and capable of designating appropriate users to the system to ensure responsible and informed tracking of cannabis.

8402(c)(4): Replaced the word “immediately” with “[w]ithin three (3) calendar days.” This amendment to the proposed regulations was based on comments received during the 45-day comment period. The Department agreed that the immediacy requirement to cancel access rights of a track-and-trace user no longer authorized to use the CCTT system is impractical for rural areas where internet may not be consistently available. Removal of an unauthorized user’s access rights within three (3) calendar days was determined to be reasonable and is consistent with the other CCTT user related timeframes outlined in section 8402, subdivision (c)(5) and (6) and section 8402, subdivision (e)(1).

8402(c)(6): Added a subsection to ensure the Department will be informed of a licensee’s inability to access the CCTT system for more than three (3) calendar days. Business and Professions Code section 26067, subdivision (a) establishes a track and trace program; Business and Professions Code section 26067, subdivision (b)(2)(A) requires the system to be designed to flag irregularities for investigation. If a licensee has lost access to the system for an extended period of time, it will be impossible for the licensing authority to monitor activities for irregularities, resulting in loss of accountability for reporting in the system and increasing the risk of possible inversion or diversion of cannabis product(s).

Section 8403. Track-and-Trace System Unique Identifiers (UID).

8403(b)(1): Changed the wording from “strain” to “strain or cultivar.” This amendment to the proposed regulations was based on a comment received during the 45-day comment period. The Department agreed with the comment which states that the use of the term “strain” when referring to cannabis cultivars, while in common use colloquially, may be misleading and incorrect from a scientific and legal standpoint. Cultivar is a commonly used botanical term, unlike the current, unstandardized, term used by the industry, “strain.”

8403(b)(3): Added the words “of this chapter” to clarify that the section referenced is 8000, subdivision (l) of the proposed regulations and for consistency within the document.

Section 8405. Track-and-Trace System Reporting Requirements.

8405(c)(2): Added the words “of this chapter” to clarify that the section referenced is 8403, subdivision (b)(3) of the proposed regulations and for consistency within the document.

8405(c)(4)(B): Added the words “of this chapter” to clarify that the section referenced is 8406, subdivision (b) of the proposed regulations and for consistency within the document.

8405(d)(5): Moved and incorporated section 8405, subdivision (d)(5)(B) to subdivision (d)(5)(A). This amendment to the proposed regulations was based on a comment received during the 45-day comment period. The Department agreed that since section 8405 generally provides a list of elements that are required to be entered into the CCTT database, rules regarding weighing devices are more appropriately located in section 8405, subdivision (d)(5)(A) which specifically addresses weight requirements. Original section 8405, subdivision (d)(5)(C) was renumbered to section 8400, subdivision (d)(5)(B) because of this modification.

Section 8406. Track-and-Trace System Inventory Requirements.

8406(a): Amended the time requirement to reconcile cannabis product inventories from once every fourteen (14) business days to once every thirty (30) calendar days. This amendment to the proposed regulations was based on comments received during the 45-day comment period. Most of the comments requested monthly reconciliations; one of the comments

requested a change to quarterly reconciliations. Though the Department agreed that quarterly reconciliations would be too infrequent due to potential loss of accountability, reconciliation every thirty (30) calendar days was deemed reasonable and compliant with the requirements set forth in Business and Professions Code section 26160, subdivision (a).

ARTICLE 7. ENFORCEMENT

Section 8600. Enforcement Applicability.

8600 (Authority and References): Added Business and Professions Code section 26034 as a reference as it was missing in the original version of the proposed regulations. Business and Professions Code section 26034 is the provision that states all accusations against licensees shall be filed within five years after the performance of the act or omission alleged as the ground for disciplinary action and is highly relevant to this section.

Section 8601. Administrative Actions – Operations.

8601 (Section Title): Renamed the section title of “Administrative Actions” to “Administrative Actions – Operations” because section 8601, subdivision (c) was struck and moved to a new section (section 8602 “Administrative Actions – Recordkeeping”). New proposed section 8602 includes a new Table B, which is a second violation table that specifically references recordkeeping violations. Section 8601 was retitled to better reflect the type of administrative actions contained in the section and in the corresponding violation Table A.

8601(a)(1): Added language to the definition of a “Serious” violation. The revised language states that all Serious violations are subject to “[l]icense suspension or revocation.” This amendment to the proposed regulations was loosely based on comments received during the 45-day comment period. Though CDFA disagreed with the comments in general, the Department determined that adding “license suspension” to the consequences of serious violations would provide the Department with additional flexibility when applying administrative remedies to account for varied levels of violations within the Serious category.

8601(c): Struck this subsection and moved the language to section 8602 (Administrative Actions – Recordkeeping) which includes Table B with its related authority and reference

sections. Because Business and Professions Code section 26160, subdivision (f) allows for a fine of up to thirty thousand dollars (\$30,000) for recordkeeping violations, and Table A violations top-out at five thousand dollars (\$5,000), the Department decided to remove this section and create a new table that would incorporate the potential fine range stated in Business and Professions Code section 26160, subdivision (f). Consequently, any violations previously listed in Table A referencing records availability, storage, and maintenance were removed from Table A and entered into Table B.

8601(d): Renamed section 8601, subdivision (c) because the original section 8601, subdivision (c) was removed and relocated to section 8602 (Administrative Actions – Recordkeeping). The words “particular” and “related” were replaced with the word “referenced” for clarity and consistency.

This section includes a violation table (Table A) which lists the violations and the corresponding category of Serious, Moderate, or Minor. Table A was revised to correspond with any changes made to the regulation text based on comments submitted during the 45-day comment period and accepted by the Department. Some revisions made to Table A based on the comments received during the 45-day comment period were necessary where a new regulation section was added, and subsequent sections had to be renumbered and/or relettered. Sections related to violations for recordkeeping were struck from Table A and moved to Table B. Section numbers referenced in the violation related to section 8308, subdivision (j) had to be relettered as they were incorrectly referenced in the original version of Table A. Subdivision (i) was added to section 8308 and therefore a corresponding violation had to be added to Table A. The violation listed in Table A which references section 8402, subdivision (c) had to be amended to reflect the change in regulation language which disallows any person other than an owner to serve as the CCTT account manager. The violation listed in Table A which references section 8406, subdivision (a) had to be amended to reflect the change that was based on a comment from the 45-day comment period regarding product inventory reconciliations. The violation in Table A which references section 8501, subdivision (c)(3) was corrected by adding the word “fraudulent” to be consistent with the regulation text.

Section 8602. Administrative Actions – Recordkeeping.

8602: Added this section to replace the original section 8601, subdivision (c). Because Business and Professions Code section 26160, subdivision (f) allows for a fine of up to thirty thousand dollars (\$30,000) for recordkeeping violations, and Table A violations top-out at five thousand dollars (\$5,000), the Department decided to remove this section and create a new table that would incorporate the potential fine range stated in Business and Professions Code section 26160, subdivision (f). This section mirrors the revised section 8601, subdivision (c) in that it outlines the categories—Minor, Moderate, and Serious—and related fine amounts for specific violations of the statute and regulations related exclusively to recordkeeping. These proposed regulations were developed based on fine or penalty assessments established in Business and Professions Code section 26160. The purpose of these proposed regulations is to communicate to the licensee the specific statutory and regulatory sections subject to violation, the violation category, and fine or penalty assessment. The fines the Department is proposing establish ranges with minimum and maximum amounts based upon the violation category (i.e., Minor, Moderate, or Serious) and Business and Professions Code section 26160. Subdivision (d) contains the table which lists the violations and the corresponding category of Serious, Moderate, or Minor, and corresponding fine amount.

Section 8603. Notice of Violation.

8603: Renumbered this section (originally section 8602) due to the addition of the new section 8602 (Administrative Actions – Recordkeeping).

Section 8604. Emergency Decisions.

8604: Renumbered this section (originally section 8603) due to the addition of the new section 8602 (Administrative Actions – Recordkeeping).

8604(f)(4) and (5): Revised references to informal hearing sections because of the addition of the new section 8602 (Administrative Actions – Recordkeeping).

Section 8605. Informal Administrative Hearings.

8605: Renumbered this section (originally section 8604) due to the addition of the new section 8602 (Administrative Actions – Recordkeeping).

Section 8606. Informal Hearing Schedule and Notification.

8606: Renumbered this section (originally section 8605) due to the addition of the new section 8602 (Administrative Actions – Recordkeeping). Similarly, the reference in subsection (b)(5) was updated.

Section 8607. Conduct of Informal Hearings.

8607: Renumbered this section (originally section 8606) due to the addition of the new section 8602 (Administrative Actions – Recordkeeping).

Section 8608. Licensing Actions.

8608: Renumbered this section (originally section 8607) due to the addition of the new section 8602 (Administrative Actions – Recordkeeping).

Section 8609. Formal Administrative Hearings.

8609: Renumbered this section (originally section 8608) due to the addition of the new section 8602 (Administrative Actions – Recordkeeping).

8609(a)(1): Struck the language “[p]etition by applicant for” as being superfluous. This modification clarifies that an acceptable proceeding for a formal hearing is a “[d]enial of an application for a license,” removing any confusion on the part of a licensee.

8609(a)(4): Added language to specify and clarify that a formal hearing may be requested for suspension of a license which exceeds thirty (30) calendar days. The original version of this section did not specify a time frame for license suspension.

Non-Substantial Modifications

In addition to the modifications described above, additional modifications correcting grammar and punctuation and making changes in numbering and formatting were made to improve clarity. These changes are non-substantive changes made to the regulatory text because they more accurately reflect the numbering of sections and correct grammar, but do not materially alter the requirements, conditions, rights, or responsibilities of the originally proposed text.

B. Changes to the Modified Text

Following the re-notice period, which ended on November 5, 2018, staff of the Department made seven non-substantial and sufficiently related changes to the text of the proposed regulations. They are as follows:

- (1) **Section 8000(z):** Struck proposed change from the 15-day comment period to retain the initial definition of the premises. This change was made in response to comments received during the 15-day comment period addressing concerns about the implications of the change and to ensure alignment with Business and Professions Code section 26001.
- (2) **Section 8106(a)(1)(A):** Removed language which prohibited cannabis plants from extending over identified canopy boundaries. This change was made in response to comments received during the 15-day comment period addressing concerns about impacts to current applicants and licensees.
- (3) **Section 8106(a)(1)(I) and Section 8601 - Table A (on page 52, referencing authority Bus. & Prof. Code § 26060, Cal. Code Regs., tit. 3, § 8106, subd. (a)(1)(I)):** Updated two citations that were not renumbered following the October 19, 2018 modifications to the regulation text. The two sections reference administrative holds and were corrected to read “pursuant to section 8604” instead of “pursuant to section 8603.”
- (4) **Section 8106(a)(1)(J):** Removed “harvested cannabis storage” from section 8106, subdivision (a)(1)(J). This change was made in response to Department concerns about product diversion and chain of custody issues for licensees with multiple licenses. The Department determined it necessary for licensees to store harvested cannabis in

designated areas specific to each individual license. Doing so will ensure harvested cannabis can be easily identified during compliance inspections and prevent chain of custody issues.

- (5) **Section 8108(c)(6)(C):** Added pinpoint clarification that the organic portion of the cannabis waste shall be sent to a facility or operation identified in subdivision (c)(1) *through* (5). The additional language was needed to clarify which facilities or operations a recycling center can send the organic portion of the cannabis waste that has been separated from the mix of inorganic and organic material it received for processing. Without the change, the regulation could be read to mean that the organic cannabis waste portion that has been separated from the inorganic cannabis waste portion could be sent to another recycling center. The intent of the change is to ensure that organic waste is handled at a facility that is authorized to receive and process the waste. The activities listed in subdivision (c)(1) through (5) are ones that are authorized to receive and process compostable (organic) materials.
- (6) **Section 8108(d):** Removed “feeding to non-commercial livestock” from section 8108, subdivision (d). This change was made in response to comments received with concerns about livestock safety and human consumption.
- (7) **Section 8601 - Table A (on page 51, referencing authority Bus. & Prof. Code § 26060, Cal. Code Regs., tit. 3, § 8106, subd. (a)(1)(A)):** Removed the violation that would have resulted from a licensee having flowering cannabis plants extending beyond the identifiable boundary of a canopy area since this language was removed from section 8106, subdivision (a)(1)(A) in the final proposed regulation text.

III. Comment Summaries and Responses (45-Day)

Pursuant to Government Code section 11346.9, subdivision (a)(3), the Department summarized and responded to all of the objections and recommendations directed at the 45-day language or the process by which it was proposed and adopted.

The Department received numerous comments during this rulemaking. Due to the volume of comments, many of which overlapped and asserted the same points for varying reasons, many

comments were grouped together to provide as uniform and concise a response as possible. Despite this, some duplication in the responses was inevitable.

The Department also developed some standard responses to comments as follows:

Standard Response 1: This comment is not specifically directed at the Department's proposed regulations or to the procedures followed by the Department in proposing or adopting these regulations or is too generalized or personalized so that no meaningful response can be formulated to refute or accommodate the comment. (See Gov. Code § 11346.9, subd. (a)(3)).

Standard Response 2: The Department lacks the authority regarding this cannabis activity. Business and Professions Code section 26012, subdivision (a)(1) gives the Bureau of Cannabis Control the sole authority to create, issue, deny, renew, discipline, suspend, or revoke licenses for microbusinesses, transportation, storage unrelated to manufacturing activities, distribution, testing, and sale of cannabis and cannabis products within the state.

Standard Response 3: The Department lacks the authority regarding this cannabis activity. Business and Professions Code section 26012, subdivision (a)(3) gives the Department of Public Health the authority to administer provisions related to and associated with the manufacturing of cannabis products and the authority to create, issue, deny, and suspend or revoke manufacturing licenses.

Standard Response 4: The Department lacks the authority regarding the administration and collection of cannabis taxes. The California Department of Tax and Fee Administration has such authority pursuant to Revenue and Taxation Code section 34013.

Standard Response 5: The Department lacks the authority regarding the establishment of pesticide regulation guidelines or pesticide application for cultivators. Pursuant to Business and Professions Code section 26060, subdivisions (d) and (g), this authority belongs to the Department of Pesticide Regulation.

Standard Response 6: Pursuant to Government Code section 11346.8, subdivision (c), the Department need not respond to a comment submitted during the public re-notice period if it does not specifically relate to the changes to the regulation text announced during the re-notice period.

A. List of Commenters for the 45-Day Comment Period

The comment summaries and responses for the regulatory text as originally noticed are first organized by Article (1-7) and further organized by proposed regulation section. General comments, comments directed at the process by which the regulations were proposed and adopted, and irrelevant comments are organized by subject matter.

The number designation (numbered 0001 through 0604) following each comment summary identifies the written letter/email where the comment originated, numbered in order of receipt by the Department.

ID No.	Name of Commenter	Title	Company	Comment Submitted	Method
<u>0001</u>	Keith Chittenden		Acme Cannabis Collective	07/14/2018	Email
<u>0002</u>	Bruce Sims			07/14/2018	Email
<u>0003</u>	R.T. Guthrie			07/17/2018	Email
<u>0004</u>	Tim Schimmel		Kind Farms	07/19/2018	Email
<u>0005</u>	Casandra Taliaferro		Skyline Farms LLC	07/20/2018	Email
<u>0006</u>	Casandra Taliaferro		Skyline Farms LLC	07/20/2018	Email
<u>0007</u>	Mari Sarol	Executive Assistant	Herban	07/20/2018	Email
<u>0008</u>	Sonja Jones	Executive Assistant, City Manager's Office	City of Glendora	07/20/2018	Email
<u>0009</u>	Andy Guercio		California Grow Services	07/20/2018	Email
<u>0010</u>	Andrew Goodwin			07/23/2018	Email
<u>0011</u>	Spencer Manners		Green Dream Farms	07/23/2018	Email
<u>0012</u>	Walter Wood	Owner /Farmer	Sol Spirit Farm	07/24/2018	Email
<u>0013</u>	Nancy Atkinson			07/24/2018	Hand delivered at

					07/24/18 public hearing
<u>0014</u>	Tyler Kirschner		ECD Inc. dba Northern Emeralds	07/24/2018	Hand delivered at 07/24/18 public hearing
<u>0015</u>	Fred Krissman		HSU	07/24/2018	Hand delivered at 07/24/18 public hearing
<u>0016</u>	Musie Kidane		Rome Flower Co.	07/24/2018	Hand delivered at 07/24/18 public hearing
<u>0017</u>	Christian Barrett	CEO/Chairman	The California Cannabis Company	07/24/2018	Email
<u>0018</u>	Autumn Shelton	Owner/CFO	Autumn Brands	07/26/2018	Email
<u>0019</u>	Blake Hogan			07/26/2018	Hand delivered at 07/26/18 public hearing
<u>0020</u>	Eric Paulsen			07/28/2018	Email
<u>0021</u>	Nick Ingoglia		Green Acres Group	08/02/2018	Email
<u>0022</u>	Jim O'Brien			08/03/2018	Email
<u>0023</u>	Kevin Reed	Founder & President	The Green Cross	08/07/2018	Email
<u>0024</u>	Alexandria Irons		CFO Royal Crest LLC	08/08/2018	Email
<u>0025</u>	Ian Herndon			08/09/2018	Email
<u>0026</u>	Louis Pike	Owner/CEO	Full Spectrum Flowers, LLC	08/09/2018	Email
<u>0027</u>	Auryn McCafferty			08/12/2018	Email
<u>0028</u>	Gene Roinick			08/13/2018	Email
<u>0029</u>	Linda Roinick			08/13/2018	Email
<u>0030</u>	Valentina Temerario	Certification Ace	Envirocann	08/14/2018	Email
<u>0031</u>	Scott Walker	Jr. Project Manager	BM-CPC MGMT CO, LLC	08/14/2018	Email
<u>0032</u>	Michael Wheeler	VP of Policy Initiatives	Flow Kana	08/14/2018	Email
<u>0033</u>	Harllee Branch	Senior Attorney	CalRecycle	08/15/2018	Email

0034	Craig Nejedly			08/16/2018	Email
0035	James Araby	Executive Director	UFCW - United Food & Commercial Workers Union	08/16/2018	Email
0036	Lelehnia DuBois	Owner	Humboldt Grace, LLC	08/16/2018	Email
0037	Gary Sobonya			08/17/2018	Email
0038	Karen Hessler		Amaranth Farms	08/17/2018	U.S. Mail
0039	Vincent Palmieri	Chief Business Officer	VetsLeaf, Inc.	08/17/2018	Email
0040	Vincent Palmieri	Chief Business Officer	VetsLeaf, Inc.	08/17/2018	Email
0041	Erin Hamilton	Owner/Operator Microbusiness		08/19/2018	Email
0042	Thomas Samuels	Field Manager	Talking Trees Cannabis Farm	08/20/2018	Email
0043	Karyn Wagner		First MC Processing, LLC	08/20/2018	Email
0044	Philip Anderson			08/20/2018	Email
0045	Philip Anderson		Santa Cruz Gardening Collective	08/20/2018	Email
0046	Jack Alger			08/20/2018	Email
0047	Jack Alger			08/20/2018	Email
0048	Shelley Salvatore			08/21/2018	Email
0049	Andrew Arnold			08/21/2018	U.S. Mail
0050	Andrew Arnold			08/21/2018	U.S. Mail
0051	Bob Fulgham			08/21/2018	Email
0052	Ryan Evans			08/21/2018	Email
0053	Shane Thomas	Thomas		08/21/2018	Email
0054	Zoe Merrill	Asst. Professional Soil Scientist	Dirty Business Soil Consulting & Analysis	08/21/2018	Email
0055	Philip Rutledge			08/21/2018	Email
0056	Kevin Simmonds		Bay to Bay Enterprises	08/21/2018	Email
0057	Lacey Burkett			08/21/2018	Email
0058	Donnie Anderson	President	California Minority Alliance	08/21/2018	Email
0059	Galen Doherty		Whitehorn Valley Farm	08/21/2018	Email
0060	Michael Stine			08/21/2018	Email
0061	Katie Lynn			08/21/2018	Email
0062	Tiffany Lopez	Attorney		08/21/2018	Email
0063	Ben Anderson	Grower		08/21/2018	Email
0064	Brandon Rivers			08/21/2018	Email
0065	Kim Grant			08/21/2018	Email
0066	Jason Burkett			08/21/2018	Email
0067	Gregory Andronaco			08/21/2018	Email
0068	Natasha Hays	Small Outdoor Grower		08/21/2018	Email
0069	Jack Stevens			08/21/2018	Email

0070	Ryan Whited	CFO	Platinum Gardens	08/21/2018	Email
0071	Regina DeCarlo			08/21/2018	Email
0072	Brian Hwangbo			08/21/2018	Email
0073	Lorelie Sandomeno			08/21/2018	Email
0074	Justin Theemling			08/21/2018	Email
0075	Dan Turbyfill			08/21/2018	Email
0076	Maria Olson		PJC Wellness	08/21/2018	Email
0077	Charles Quinnelly	Broker/Realtor		08/21/2018	Email
0078	Ruby Steinbrecher	Attorney		08/21/2018	Email
0079	Casey Tomasi			08/21/2018	Email
0080	Lucinda Dekker		Hope Springs Farm	08/21/2018	Email
0081	Page Hunter		Fiddlehead Farm	08/21/2018	Email
0082	Maggie Philipsborn			08/21/2018	Email
0083	Tyler Hemphill			08/21/2018	Email
0084	David Scott			08/21/2018	Email
0085	Ian Much	CPA		08/21/2018	Email
0086	David Rocheford			08/21/2018	Email
0087	Julie Terry			08/21/2018	Email
0088	Jomra Kan	Small Farmer		08/21/2018	Email
0089	David Leppert			08/21/2018	Email
0090	Mani Mal			08/21/2018	Email
0091	Jade Woodrose			08/21/2018	Email
0092	Michael Keller			08/21/2018	Email
0093	Jade Rathmann			08/21/2018	Email
0094	Jade Rathmann			08/21/2018	Email
0095	Ben Lingemann			08/21/2018	Email
0096	Emily Call			08/21/2018	Email
0097	Cole Ryder			08/21/2018	Email
0098	Julie Wells			08/21/2018	Email
0099	Julie Wells			08/21/2018	Email
0100	Travis Poe			08/21/2018	Email
0101	David Digiallorenzo			08/21/2018	Email
0102	John Bowman			08/21/2018	Email
0103	M Plus			08/21/2018	Email
0104	Michael Cavette			08/21/2018	Email
0105	Garrett Stuessy			08/21/2018	Email
0106	Melissa Wayne-Jones	Publicist	Transmute PR	08/21/2018	Email
0107	Sara Bullock		Mountainwise Farms LLC	08/21/2018	Email
0108	Barbara Pope			08/21/2018	Email
0109	Patrick Kahan			08/21/2018	Email
0110	Miranda Joseph		Rancho Ecomar Family Farms	08/22/2018	Email
0111	Scott Ingram			08/22/2018	Email

<u>0112</u>	Geoffrey Churchill			08/22/2018	Email
<u>0113</u>	Jennifer Appel		Salmon Creek Family Farm	08/22/2018	Email
<u>0114</u>	Stephanie Donnelly			08/22/2018	Email
<u>0115</u>	Stephanie Donnelly			08/22/2018	Email
<u>0116</u>	Matthew Blom			08/22/2018	Email
<u>0117</u>	Matt Antony		Beacon Data Research	08/22/2018	Email
<u>0118</u>	Luciana Barror			08/22/2018	Email
<u>0119</u>	Diana Gamzon	Executive Dir.	Nevada County Cannabis Alliance	08/22/2018	Email
<u>0120</u>	John Sampson			08/22/2018	Email
<u>0121</u>	Mark Sproat	Sr. Environmental Health Specialist	City of Berkeley, Environmental Health Div.	08/22/2018	Email
<u>0122</u>	Michael Bailey			08/22/2018	Email
<u>0123</u>	Robert Palma			08/22/2018	Email
<u>0124</u>	James Forsaith			08/22/2018	Email
<u>0125</u>	Clara Snow			08/22/2018	U.S. Mail
<u>0126</u>	Clara Snow			08/22/2018	U.S. Mail
<u>0127</u>	Dan Hamburg	Chair	Mendocino County Board of Supervisors	08/22/2018	Email
<u>0128</u>	Ivo Lopez		Mendocino Natural Farms	08/22/2018	Email
<u>0129</u>	Swami Chaitanya			08/22/2018	Email
<u>0130</u>	Joe Needham			08/22/2018	Email
<u>0131</u>	Lyn Javier			08/22/2018	Email
<u>0132</u>	Joshua Artman		Big Green Exchange	08/22/2018	Email
<u>0133</u>	Mark Thies		Dos Rios Farms	08/22/2018	Email
<u>0134</u>	Shelley Salvatore			08/22/2018	Email
<u>0135</u>	Anthony Vasquez		California Grown - Yolo	08/23/2018	Email
<u>0136</u>	Paul Hansbury		Lovingly & Legally SPC	08/23/2018	Email
<u>0137</u>	David Lunsford			08/23/2018	Email
<u>0138</u>	Walter Stillman			08/23/2018	Email
<u>0139</u>	Michael Ranalli	Chairman	El Dorado County Bd of Supervisors	08/23/2018	Email
<u>0140</u>	Julie Dustin	Tech Specialist / Account Manager		08/23/2018	Email
<u>0141</u>	Heidi Minx			08/23/2018	Email
<u>0142</u>	Josh Pope	Farmer		08/23/2018	Email
<u>0143</u>	Matt Reid			08/23/2018	Email
<u>0144</u>	David Silverstone			08/23/2018	Email
<u>0145</u>	David Silverstone			08/23/2018	Email
<u>0146</u>	Nancy Richardson			08/23/2018	Email
<u>0147</u>	Nancy Richardson			08/23/2018	Email
<u>0148</u>	Sean Stamm	CEO & President	Southern Humboldt Royal Cannabis Co.	08/23/2018	Email

<u>0149</u>	Shelley Salvatore			08/23/2018	Email
<u>0150</u>	Rachel Zierdt			08/23/2018	Email
<u>0151</u>	Dottie Lulick			08/23/2018	Email
<u>0152</u>	Rose Black			08/23/2018	Email
<u>0153</u>	Lisa Lai			08/23/2018	Email
<u>0154</u>	Soren Darr			08/23/2018	Email
<u>0155</u>	David Moore			08/23/2018	Email
<u>0156</u>	Sequoyah Hudson	CFO / Chief Compliance Officer	CannAssert, LLC	08/23/2018	Email
<u>0157</u>	James Johnson			08/24/2018	Email
<u>0158</u>	Star Fargey		Sunspire Farms	08/24/2018	Email
<u>0159</u>	Dylan Mattole		Mattole Valley Organics	08/24/2018	Email
<u>0160</u>	Russell Perrin			08/24/2018	Email
<u>0161</u>	Jane Jones			08/24/2018	Email
<u>0162</u>	Russell Perrin		Perrin Family Farm	08/24/2018	Email
<u>0163</u>	Basil McMahon			08/24/2018	Email
<u>0164</u>	Basil McMahon			08/24/2018	Email
<u>0165</u>	Michael Nevas		Outpost Cannabis LLC	08/24/2018	Email
<u>0166</u>	Tony Silvaggio			08/24/2018	Email
<u>0167</u>	Vincent Peloso			08/24/2018	Email
<u>0168</u>	Amber Gillespie	Compliance Officer	Emerald Family Farms, LLC	08/24/2018	Email
<u>0169</u>	Cara Stewart Raffele	Co-Founder & Chief Creative Officer	MyJane Inc.	08/24/2018	Email
<u>0170</u>	Megumi Reagan	Dir. Of Policy & Marketing	Gaiaca Waste Revitalization	08/24/2018	Email
<u>0171</u>	Megumi Reagan	Dir. Of Policy & Marketing	Gaiaca Waste Revitalization	08/24/2018	Email
<u>0172</u>	Megumi Reagan	Dir. Of Policy & Marketing	Gaiaca Waste Revitalization	08/24/2018	Email
<u>0173</u>	Lindsay Robinson	Executive Director	California Cannabis Industry Assoc.	08/24/2018	Email
<u>0174</u>	Kyle Castanon	CEO & Founder	Palomar Works, Inc.	08/24/2018	Email
<u>0175</u>	Jodi Artman			08/24/2018	Email
<u>0176</u>	Nicole Howell Neubert	Attorney at Law		08/24/2018	Email
<u>0177</u>	Vicente Sederberg		Vicente Sederberg LLC	08/24/2018	Email
<u>0178</u>	Eric Potashner	VP & Sr. Dir of Strategic Affairs	Recology	08/24/2018	Email
<u>0179</u>	Patrick West	City Manager	City of Long Beach	08/24/2018	Email
<u>0180</u>	Tyler Wilmoth			08/24/2018	Email
<u>0181</u>	Marcia Fentress	Small Farmer		08/24/2018	Email
<u>0182</u>	David Silverstone			08/24/2018	Email
<u>0183</u>	Deanna Garcia			08/24/2018	Email
<u>0184</u>	Desiree Espinosa			08/24/2018	U.S. Mail
<u>0185</u>	Desiree Espinosa			08/24/2018	U.S. Mail

<u>0186</u>	Steve			08/24/2018	U.S. Mail
<u>0187</u>	Steve			08/24/2018	U.S. Mail
<u>0188</u>	Thomas Clifton			08/24/2018	U.S. Mail
<u>0189</u>	Terry Moffett			08/24/2018	U.S. Mail
<u>0190</u>	Martin			08/24/2018	U.S. Mail
<u>0191</u>	Martin			08/24/2018	U.S. Mail
<u>0192</u>	G. Woodley			08/24/2018	U.S. Mail
<u>0193</u>	G. Woodley			08/24/2018	U.S. Mail
<u>0194</u>	Mark Corden			08/24/2018	U.S. Mail
<u>0195</u>	Mark Corden			08/24/2018	U.S. Mail
<u>0196</u>	Mark Holtby			08/24/2018	U.S. Mail
<u>0197</u>	Mark Holtby			08/24/2018	U.S. Mail
<u>0198</u>	Paul Hebdon			08/24/2018	U.S. Mail
<u>0199</u>	Paul Hebdon			08/24/2018	U.S. Mail
<u>0200</u>	Z D			08/24/2018	U.S. Mail
<u>0201</u>	Z D			08/24/2018	U.S. Mail
<u>0202</u>	Mark Anderson			08/24/2018	U.S. Mail
<u>0203</u>	Mark Anderson			08/24/2018	U.S. Mail
<u>0204</u>	James Brott			08/24/2018	U.S. Mail
<u>0205</u>	James Brott			08/24/2018	U.S. Mail
<u>0206</u>	J H			08/24/2018	U.S. Mail
<u>0207</u>	R H			08/24/2018	U.S. Mail
<u>0208</u>	David Sang			08/24/2018	U.S. Mail
<u>0209</u>	David Sang			08/24/2018	U.S. Mail
<u>0210</u>	Dorothy Morehead			08/24/2018	U.S. Mail
<u>0211</u>	Dorothy Morehead			08/24/2018	U.S. Mail
<u>0212</u>	LeRoy Wolvert			08/24/2018	U.S. Mail
<u>0213</u>	LeRoy Wolvert			08/24/2018	U.S. Mail
<u>0214</u>	Jeff DuPuis			08/24/2018	U.S. Mail
<u>0215</u>	Jeff DuPuis			08/24/2018	U.S. Mail
<u>0216</u>	Ken Coon			08/24/2018	U.S. Mail
<u>0217</u>	Ken Coon			08/24/2018	U.S. Mail
<u>0218</u>	Dard Tufts			08/24/2018	U.S. Mail
<u>0219</u>	A Trejo			08/24/2018	U.S. Mail
<u>0220</u>	A Trejo			08/24/2018	U.S. Mail
<u>0221</u>	Robert Hager			08/24/2018	U.S. Mail
<u>0222</u>	Robert Hager			08/24/2018	U.S. Mail
<u>0223</u>	T Santos			08/24/2018	U.S. Mail
<u>0224</u>	T Santos			08/24/2018	U.S. Mail
<u>0225</u>	R Adams			08/24/2018	U.S. Mail
<u>0226</u>	R Adams			08/24/2018	U.S. Mail
<u>0227</u>	Jeffrey Will			08/24/2018	U.S. Mail
<u>0228</u>	Jeffrey Will			08/24/2018	U.S. Mail
<u>0229</u>	Doyle Van Danon Sr.			08/24/2018	U.S. Mail
<u>0230</u>	Doyle Van Danon Sr.			08/24/2018	U.S. Mail
<u>0231</u>	Glenn Simcox			08/24/2018	U.S. Mail

0232	Glenn Simcox			08/24/2018	U.S. Mail
0233	G.T. Malloy			08/24/2018	U.S. Mail
0234	G.T. Malloy			08/24/2018	U.S. Mail
0235	Dard Tufts			08/24/2018	U.S. Mail
0236	Dard Tufts			08/24/2018	U.S. Mail
0237	Michael Welch			08/24/2018	U.S. Mail
0238	Michael Welch			08/24/2018	U.S. Mail
0239	Doug King			08/24/2018	U.S. Mail
0240	Doug King			08/24/2018	U.S. Mail
0241	Fredrick Price			08/24/2018	U.S. Mail
0242	Fredrick Price			08/24/2018	U.S. Mail
0243	William Jensen			08/24/2018	U.S. Mail
0244	William Jensen			08/24/2018	U.S. Mail
0245	Erie Maynard Jr.			08/24/2018	U.S. Mail
0246	Erie Maynard Jr.			08/24/2018	U.S. Mail
0247	James B			08/24/2018	U.S. Mail
0248	James B			08/24/2018	U.S. Mail
0249	Scott Cowan			08/24/2018	U.S. Mail
0250	Scott Cowan			08/24/2018	U.S. Mail
0251	Greg Anton			08/24/2018	U.S. Mail
0252	Greg Anton			08/24/2018	U.S. Mail
0253	Gregory Lakin			08/24/2018	U.S. Mail
0254	R. Adam Warren			08/24/2018	U.S. Mail
0255	P Myers			08/24/2018	U.S. Mail
0256	P Myers			08/24/2018	U.S. Mail
0257	Patrick Mills			08/24/2018	U.S. Mail
0258	Patrick Mills			08/24/2018	U.S. Mail
0259	Sarah Armstrong	Policy Chair	The Southern California Coalition	08/25/2018	Email
0260	Dylan Mattole	Owner	Mattole Valley Organics	08/25/2018	Email
0261	Ynez Carrasco		The Apothecarium	08/25/2018	Email
0262	Nancy Richardson			08/25/2018	Email
0263	Laura Clein			08/25/2018	Email
0264	Laura Clein			08/25/2018	Email
0265	Rachel Zierdt			08/25/2018	Email
0266	Edith Butler			08/25/2018	Email
0267	David Silverstone			08/25/2018	Email
0268	Mario DeJuan	Cultivator		08/25/2018	Email
0269	Mario DeJuan	Cultivator		08/25/2018	Email
0270	Mario DeJuan	Cultivator		08/25/2018	Email
0271	Rachel Zierdt			08/25/2018	Email
0272	Sequoyah Hudson	CFO/Chief Compliance Officer	CannAssert LLC	08/26/2018	Email
0273	Sequoyah Hudson	CFO/Chief Compliance Officer	CannAssert LLC	08/26/2018	Email

<u>0274</u>	Sequoyah Hudson	CFO/Chief Compliance Officer	CannAssert LLC	08/26/2018	Email
<u>0275</u>	Sequoyah Hudson	CFO/Chief Compliance Officer	CannAssert LLC	08/26/2018	Email
<u>0276</u>	Chiah Rodriques	President & Dir.	Mendocino Generations and Arcanna Flowers	08/26/2018	Email
<u>0277</u>	Chiah Rodriques	President & Dir.	Mendocino Generations and Arcanna Flowers	08/26/2018	Email
<u>0278</u>	Chiah Rodriques	President & Dir.	Mendocino Generations and Arcanna Flowers	08/26/2018	Email
<u>0279</u>	Jack Willis			08/26/2018	Email
<u>0280</u>	Peter Genolio		Canyon Farms LLC	08/26/2018	Email
<u>0281</u>	Jack Willis			08/26/2018	Email
<u>0282</u>	Chiah Rodriques	President & Dir.	Mendocino Generations and Arcanna Flowers	08/26/2018	Email
<u>0283</u>	Heather Haglund		Tokin Terps Farm	08/26/2018	Email
<u>0284</u>	Heather Haglund		Tokin Terps Farm	08/26/2018	Email
<u>0285</u>	Dale Schafer			08/26/2018	Email
<u>0286</u>	Sandra Berman			08/26/2018	Email
<u>0287</u>	Rachel Zierdt			08/26/2018	Email
<u>0288</u>	George Head			08/26/2018	Email
<u>0289</u>	George Head			08/26/2018	Email
<u>0290</u>	Lynn Zachreson			08/26/2018	Email
<u>0291</u>	Larry Winter		Winter Farms	08/26/2018	Email
<u>0292</u>	Lynn Zachreson			08/26/2018	Email
<u>0293</u>	Kalita Todd	Farm Institute Education	Sierra Harvest	08/26/2018	Email
<u>0294</u>	Anthony Silvaggio			08/26/2018	Email
<u>0295</u>	Ed Cupman			08/26/2018	Email
<u>0296</u>	Amanda Ekstrand			08/26/2018	Email
<u>0297</u>	Jannella Stebner			08/26/2018	Email
<u>0298</u>	Dennis Coatney			08/26/2018	Email
<u>0299</u>	Mario DeJuan	Cannabis Cultivator		08/26/2018	Email
<u>0300</u>	Swami	Chaitanya		08/26/2018	Email
<u>0301</u>	Leif Bolin		Mendocino Generations	08/26/2018	Email
<u>0302</u>	Harriet Buckwalter	Co-Chair	Friends of the Mark West Watershed	08/26/2018	Email
<u>0303</u>	Mario DeJuan	Cannabis Cultivator		08/26/2018	Email
<u>0304</u>	Mario DeJuan	Cannabis Cultivator		08/26/2018	Email
<u>0305</u>	Karen Robinson			08/26/2018	Email
<u>0306</u>	Bridget May	Owner – Manufacturing Co.	Green Bee Botanicals	08/26/2018	Email
<u>0307</u>	Sequoyah Hudson	CFO / Chief Compliance Officer	CannAssert LLC	08/26/2018	Email
<u>0308</u>	Sequoyah Hudson	CFO / Chief Compliance Officer	CannAssert LLC	08/26/2018	Email

<u>0309</u>	Brian Weight	Partner	Pilothouse Management	08/27/2018	Email
<u>0310</u>	Red Moon Arrow		Round Valley Growers Assoc.	08/27/2018	Email
<u>0311</u>	Monique Ramirez		Covelo Cannabis Advocacy Group	08/27/2018	Email
<u>0312</u>	Jed Davis	Owner	Mendocino Clone Co.	08/27/2018	Email
<u>0313</u>	Derek Smith	Executive Director	Resource Innovation Institute	08/27/2018	Email
<u>0314</u>	Ned Fussell	Co-Owner	THC Farms, Inc.	08/27/2018	Email
<u>0315</u>	Linnet Lockhart			08/27/2018	Email
<u>0316</u>	Dianne Black	Dir. – Planning & Development Dept.	County of Santa Barbara	08/27/2018	Email
<u>0317</u>	Ellen Komp	Deputy Director	California NORML	08/27/2018	Email
<u>0318</u>	Laura Clein			08/27/2018	Email
<u>0319</u>	Steven Matuszak			08/27/2018	Email
<u>0320</u>	Sheldon Norberg			08/27/2018	Email
<u>0321</u>	Sarah Hake	COO	Countervail Inc.	08/27/2018	Email
<u>0322</u>	Tia Orr	Dir. Of Government Relations	SEIU	08/27/2018	Email
<u>0323</u>	Adam Wallace			08/27/2018	Email
<u>0324</u>	Helena Lee	Compliance Officer	True Humboldt	08/27/2018	Email
<u>0325</u>	Sara O'Donnell			08/27/2018	Email
<u>0326</u>	Erica Rosenfarb	Cultivator	Flower Power Healing LLC	08/27/2018	Email
<u>0327</u>	Robert Guthrie			08/27/2018	Email
<u>0328</u>	No Name Provided		Mendocino Generations	08/27/2018	Email
<u>0329</u>	Erica Rosenfarb		Flower Power Healing LLC	08/27/2018	Email
<u>0330</u>	Lynn Silver	Senior Advisor & Dir.		08/27/2018	Email
<u>0331</u>	Sharon Sperber			08/27/2018	Email
<u>0332</u>	Bob Tatum		Freedom 1st Assoc.	08/27/2018	Email
<u>0333</u>	Rochelle Sfetku			08/27/2018	Email
<u>0334</u>	Tom Wilson	CTO	GrowFlow	08/27/2018	Email
<u>0335</u>	Robb McCauley			08/27/2018	Email
<u>0336</u>	Farrell Foley		Alabaster, Inc.	08/27/2018	Email
<u>0337</u>	Matthew Blom			08/27/2018	Email
<u>0338</u>	Drew Barber		East Mill Creek Farms	08/27/2018	Email
<u>0339</u>	Shane Thomas			08/27/2018	Email
<u>0340</u>	Barry Broad	Legislative Dir.	California Teamsters Public Affairs Council	08/27/2018	Email
<u>0341</u>	Jennifer Burke			08/27/2018	Email
<u>0342</u>	Patricia Rockwell			08/27/2018	Email
<u>0343</u>	Serra Rangel			08/27/2018	Email
<u>0344</u>	Roscoe Kersey		Essential Medicinals	08/27/2018	Email
<u>0345</u>	Pat Rockwell			08/27/2018	Email

<u>0346</u>	Casey O'Neill	Vice Chair	California Growers Assoc.	08/27/2018	Email
<u>0347</u>	Michael Stine			08/27/2018	Email
<u>0348</u>	Casey O'Neill		Happy Day Farms / CA Growers	08/27/2018	Email
<u>0349</u>	Casey O'Neill		HappyDay Farms / CA Growers Assoc.	08/27/2018	Email
<u>0350</u>	Walker Abel			08/27/2018	Email
<u>0351</u>	Brian Adams			08/27/2018	Email
<u>0352</u>	David Harde			08/27/2018	Email
<u>0353</u>	Linda McCaslin			08/27/2018	Email
<u>0354</u>	Walker Abel			08/27/2018	Email
<u>0355</u>	Sean O'Donnell			08/27/2018	Email
<u>0356</u>	Linda McVarish			08/27/2018	Email
<u>0357</u>	Fred Krissman	Research Assoc.	Humboldt State University	08/27/2018	Email
<u>0358</u>	Linda McVarish			08/27/2018	Email
<u>0359</u>	Nicole Elliott		San Francisco Office of Cannabis	08/27/2018	Email
<u>0360</u>	Paul Paterson			08/27/2018	Email
<u>0361</u>	Lauren Fraser	Executive Dir.	Cannabis Distribution Association	08/27/2018	Email
<u>0362</u>	Shawn Regan			08/27/2018	Email
<u>0363</u>	Jessica Harness	Farmer		08/27/2018	Email
<u>0364</u>	Rob Lind			08/27/2018	Email
<u>0365</u>	No name provided			08/27/2018	Email
<u>0366</u>	No name provided			08/27/2018	Email
<u>0367</u>	Susan O'Brien	Small Farmer		08/27/2018	Email
<u>0368</u>	Adrien Keys			08/27/2018	Email
<u>0369</u>	No name provided			08/27/2018	Email
<u>0370</u>	Matthew Yamashita		Grizzly Peak Farms	08/27/2018	Email
<u>0371</u>	No name provided			08/27/2018	Email
<u>0372</u>	No name provided			08/27/2018	Email
<u>0373</u>	Angelina Wright			08/27/2018	Email
<u>0374</u>	Chris Castle			08/27/2018	Email
<u>0375</u>	Joy Bucknavage		Freshwater Farmacy, LLC	08/27/2018	Email
<u>0376</u>	Brandon Wheeler	CEO/Owner	Feliz Farms	08/27/2018	Email
<u>0377</u>	Nathan Boucher			08/27/2018	Email
<u>0378</u>	Roger Wheeler	CEO/Owner	Sanel Highlands	08/27/2018	Email
<u>0379</u>	Alexa Wall	Chair	Sonoma County Growers Alliance Board of Directors	08/27/2018	Email
<u>0380</u>	Toby Laverty			08/27/2018	Email
<u>0381</u>	Alexa Wall	Chair	Sonoma County Growers Alliance	08/27/2018	Email

<u>0382</u>	Roger Wheeler	CEO / Owner	Sanel Highlands	08/27/2018	Email
<u>0383</u>	Brandon Wheeler	CEO / Owner	Feliz Farms	08/27/2018	Email
<u>0384</u>	Mark Richard	Small Farmer		08/27/2018	Email
<u>0385</u>	Tyler Trimble	Home Orchard Specialist		08/27/2018	Email
<u>0386</u>	Devin Girardi	Surety Analyst	The Surety & Fidelity Association of America	08/27/2018	Email
<u>0387</u>	Madison Walker	Senior Public Affairs Manager	Grodan	08/27/2018	Email
<u>0388</u>	Megan Souza		Megan's Organic Market	08/27/2018	Email
<u>0389</u>	Jason Miller	Owner / Partner	Kiskanu	08/27/2018	Email
<u>0390</u>	Jenna Johnson	CPA		08/27/2018	Email
<u>0391</u>	Hezekiah Allen	Executive Dir.	California Growers Association	08/27/2018	Email
<u>0392</u>	Adrien Keys			08/27/2018	Email
<u>0393</u>	Rachel Zierdt			08/27/2018	Email
<u>0394</u>	Nicholas Holliday		Trinity Sungrown	08/27/2018	Email
<u>0395</u>	Bert Vick			08/27/2018	Email
<u>0396</u>	Frank Lanzisera			08/27/2018	Email
<u>0397</u>	Brian Adams			08/27/2018	Email
<u>0398</u>	Betsy Brown			08/27/2018	Email
<u>0399</u>	Indigo Moonstar			08/27/2018	Email
<u>0400</u>	Peter Nell	Policy Specialist	California Certified Organic Farmers	08/27/2018	Email
<u>0401</u>	Phil LaRocca		LaRocca Vineyards	08/27/2018	Email
<u>0402</u>	Jennifer Burke			08/27/2018	Email
<u>0403</u>	Betsy Brown			08/27/2018	Email
<u>0404</u>	Jennifer Burke			08/27/2018	Email
<u>0405</u>	Maggie Chui	Governmental Affairs Coordinator	RCRC	08/27/2018	Email
<u>0406</u>	Charles Sargenti	Owner	Eel River Medicinals	08/27/2018	Email
<u>0407</u>	Susan O'Brien	Small Farmer		08/27/2018	Email
<u>0408</u>	Robert Gale			08/27/2018	Email
<u>0409</u>	Karla Knapek	Owner / Compliance Manager	Honeydew Farms	08/27/2018	Email
<u>0410</u>	Jon Oleson			08/27/2018	Email
<u>0411</u>	Susan O'Brien	Small Farmer		08/27/2018	Email
<u>0412</u>	Caitlin Voorhees		TrattenPrice Consulting	08/27/2018	Email
<u>0413</u>	Menaka Mahajan		Mahajan Consulting	08/27/2018	Email
<u>0414</u>	Rand Martin		MVM Strategy Group	08/27/2018	Email
<u>0415</u>	Charles Sargenti		Eel River Medicinals	08/27/2018	Email
<u>0416</u>	Joanna Cedar	Public Affairs Manager	CannaCraft	08/27/2018	Email
<u>0417</u>	Nancy Gruskin Warner	CEO	Assurpack LLC	08/27/2018	Email
<u>0418</u>	Michael Beaudry	Founder / CEO	HERBL Distribution Solutions	08/27/2018	Email

0419	Claire Mamakos			08/27/2018	Email
0420	Jerome Nathan			08/27/2018	Email
0421	George Head			08/27/2018	Email
0422	Jeffrey Blanck	Humboldt County Counsel	County of Humboldt	08/27/2018	Email
0423	Thomas Mulder	CEO	Humboldt Redwood Healing	08/27/2018	Email
0424	Charles Rathbone			08/27/2018	Email
0425	Kerry Reynolds	Cannabis Consultant & Writer		08/27/2018	Email
0426	Brandon Wheeler	CEO / Owner	Feliz Farms	08/27/2018	Email
0427	Roger Wheeler	CEO / Owner	Sanel Highlands	08/27/2018	Email
0428	Charles Sargenti		Eel River Medicinals	08/27/2018	Email
0429	Brian Adams			08/27/2018	Email
0430	Brandon Wheeler	CEO / Owner	Feliz Farms	08/27/2018	Email
0431	Brandon Wheeler	CEO / Owner	Feliz Farms	08/27/2018	Email
0432	Shannon Hattan	CEO	Fiddler's Greens	08/27/2018	Email
0433	Linda Gray		Flatbed Ridge Farms	08/27/2018	Email
0434	E M			08/27/2018	Email
0435	Wendy Kornberg			08/27/2018	Email
0436	Roger Wheeler	CEO / Owner	Sanel Highlands	08/27/2018	Email
0437	Brandon Wheeler	CEO / Owner	Feliz Farms	08/27/2018	Email
0438	Galen Doherty	Farm Owner & Manager	Whitethorn Valley Farm	08/27/2018	Email
0439	Wendy Kornberg			08/27/2018	Email
0440	Deidre Brower		Down River Consulting	08/27/2018	Email
0441	Claire Mamakos			08/27/2018	Email
0442	Roger Wheeler	CEO / Owner	Sanel Highlands	08/27/2018	Email
0443	Brandon Wheeler	CEO / Owner	Feliz Farms	08/27/2018	Email
0444	Elena DuCharme			08/27/2018	Email
0445	Linda Gray		Flatbed Ridge Farms	08/27/2018	Email
0446	Roger Wheeler	CEO / Owner	Sanel Highlands	08/27/2018	Email
0447	Brandon Wheeler	CEO / Owner	Feliz Farms	08/27/2018	Email
0448	Jerome Nathan			08/27/2018	Email
0449	Rand Martin		MVM Strategy Group	08/27/2018	Email
0450	Faer Reel		Udeniable Inc.	08/27/2018	Email
0451	Kevin Charmichael	Attorney	Harvest Law Group	08/27/2018	Email
0452	Lorena Andelain Evans-Roy			08/27/2018	Email
0453	Susan Soares	Executive Dir.	C.A.R.E.	08/27/2018	Email
0454	Susan O'Brien	Small Farmer		08/27/2018	Email
0455	Susan O'Brien	Small Farmer		08/27/2018	Email
0456	Susan O'Brien	Small Farmer		08/27/2018	Email
0457	Susan O'Brien	Small Farmer		08/27/2018	Email
0458	Susan O'Brien	Small Farmer		08/27/2018	Email
0459	Susan O'Brien	Small Farmer		08/27/2018	Email

<u>0460</u>	Susan O'Brien	Small Farmer		08/27/2018	Email
<u>0461</u>	Susan O'Brien	Small Farmer		08/27/2018	Email
<u>0462</u>	Kerry Reynolds	Cannabis Consultant & Writer		08/27/2018	Email
<u>0463</u>	Elizabeth Morgan	Dir. Of Environmental Health	Sierra County Environmental Health	08/27/2018	Email
<u>0464</u>	Teresa Sisco			08/27/2018	Email
<u>0465</u>	Matt Clifford	Staff Attorney	California Water Project	08/27/2018	Email
<u>0466</u>	Nancy Birnbaum	Publisher		08/27/2018	Email
<u>0467</u>	Brandon Wheeler	CEO / Owner	Feliz Farms	08/27/2018	Email
<u>0468</u>	Roger Wheeler	CEO / Owner	Sanel Highlands	08/27/2018	Email
<u>0469</u>	Susanna Nathan			08/27/2018	Email
<u>0470</u>	Jerry Munn			08/27/2018	Email
<u>0471</u>	Corinne Powell		Laughing Farm	08/27/2018	Email
<u>0472</u>	Jerry Munn			08/27/2018	Email
<u>0473</u>	Dan Olbrantz		Covelo Seed and Scion	08/27/2018	Email
<u>0474</u>	Nancy Birnbaum	Executive Dir.	Women's Cannabis Business Development	08/27/2018	Email
<u>0475</u>	Chris Conrad			08/27/2018	Email
<u>0476</u>	Dan Olbrantz		Covelo Seed and Scion	08/27/2018	Email
<u>0477</u>	Barry Nachshon	CEO	True Humboldt	08/27/2018	Email
<u>0478</u>	Cathie Bennett Warner	President	CBW Group	08/27/2018	Email
<u>0479</u>	Blair Phillips			08/27/2018	Email
<u>0480</u>	Adam Koh	Cannabis Benchmarks	Editorial Dir.	08/27/2018	Email
<u>0481</u>	Sandy Elles	Executive Dir.	CA Agricultural Commissioners & Sealers Assoc.	08/27/2018	Email
<u>0482</u>	Kerry Reynolds			08/27/2018	Email
<u>0483</u>	Matt Maguire			08/27/2018	Email
<u>0484</u>	Garbriel Guzman		Latinos for Cannabis	08/27/2018	Email
<u>0485</u>	Mara Felsen	Legal Outreach Coordinator	San Diego Chapter of Americans for Safe Access	08/27/2018	Email
<u>0486</u>	Nicole Quinonez	Lobbyist	Randlett Nelson Madden	08/27/2018	Email
<u>0487</u>	Amber O'Neill			08/27/2018	Email
<u>0488</u>	Gabriel Guzman		Latinos for Cannabis	08/27/2018	Email
<u>0489</u>	Felicia Sobonya			08/27/2018	Email
<u>0490</u>	Karen Hessler		Amaranth Farms	08/27/2018	Email
<u>0491</u>	Sunshine Johnston		Sunboldt Grown	08/27/2018	Email
<u>0492</u>	Felicia Sobonya			08/27/2018	Email
<u>0493</u>	Max Thelander		County of Los Angeles-Office of Cannabis Mgmt.	08/27/2018	Email
<u>0494</u>	Craig Harrison			08/27/2018	Email

<u>0495</u>	Lisa Selan	Co-General Counsel	United Cannabis Business Assoc.	08/27/2018	Email
<u>0496</u>	Amber O'Neill			08/27/2018	Email
<u>0497</u>	No name provided		Fiddler's Greens	08/27/2018	Email
<u>0498</u>	Deborah Eppstein			08/27/2018	Email
<u>0499</u>	Josh Kleymeyer			08/27/2018	Email
<u>0500</u>	David King	Cultivator	MendoRoyal	08/27/2018	Email
<u>0501</u>	Indigo Moonstar			08/27/2018	Email
<u>0502</u>	Josh Kleymeyer			08/27/2018	Email
<u>0503</u>	Jason Brando			08/27/2018	Email
<u>0504</u>	David King			08/27/2018	Email
<u>0505</u>	Deborah Eppstein			08/27/2018	Email
<u>0506</u>	Michelle Penaloza		Ventosa Farms	08/27/2018	Email
<u>0507</u>	Brian Hartman	Product Manager	All Packaging Co.	08/27/2018	Email
<u>0508</u>	Kelly		Margro Advisors	08/27/2018	Email
<u>0509</u>	Erin Woodmas	VP of Operations	New Game Compliance LLC	08/27/2018	Email
<u>0510</u>	Josh Malgieri	Founder – President	Affinity Brand Management	08/27/2018	Email
<u>0511</u>	Amanda Wang	Chief Executive Officer	Fireflower Technologies Inc.	08/27/2018	Email
<u>0512</u>	Stephanie Hopper			08/27/2018	Email
<u>0513</u>	Michelle Penaloza			08/27/2018	Email
<u>0514</u>	Cameron Hattan		Fiddlers Greens	08/27/2018	Email
<u>0515</u>	Barry Brand		Arroyo Verde Farms	08/27/2018	Email
<u>0516</u>	Jackie McGowan	Dir. Of Licensing & Business Development	K Street Consulting	08/27/2018	Email
<u>0517</u>	Grace Barresi			08/27/2018	Email
<u>0518</u>	Elizabeth Mills			08/27/2018	Email
<u>0519</u>	John Plata	General Counsel	Agua Caliente Band of Cahuilla Indians	08/27/2018	Email
<u>0520</u>	Melanie Cuevas	Managing Dir.	The Quintana Cruz Co.	08/27/2018	Email
<u>0521</u>	Sapphire Blackwood	Dir. Of Public Affairs	Association of Cannabis Professionals	08/27/2018	Email
<u>0522</u>	Michelle Penaloza		Ventoso Farms	08/27/2018	Email
<u>0523</u>	Elizabeth Mills			08/27/2018	Email
<u>0524</u>	Lauren Payne	Co-Founder & CEO	Green Rush Consulting	08/27/2018	Email
<u>0525</u>	Trisha Langteau		CFO Practical Possibilities	08/27/2018	Email
<u>0526</u>	Lynne Lyman			08/27/2018	Email
<u>0527</u>	Elizabeth Ruess Greene	Senior Planner	City of Berkeley Planning & Development Dept.	08/27/2018	Email
<u>0528</u>	Adam Vine	Co-Founder	Cage-Free Cannabis	08/27/2018	Email
<u>0529</u>	Mindy Galloway	Executive Dir.	Yolo County Cannabis Coalition	08/27/2018	Email

<u>0530</u>	Jude Thilman		Dragonfly Wellness Center	08/27/2018	Email
<u>0531</u>	Chris Thomas			08/27/2018	Email
<u>0532</u>	Elsa Jiminez	Dir. Of Health	County of Monterey Health Dept.	08/27/2018	Email
<u>0533</u>	Petra Buchanan			08/27/2018	Email
<u>0534</u>	David Mills			08/27/2018	Email
<u>0535</u>	Dana Leigh Cisneros		Cannabis Corporate Law Firm	08/27/2018	Email
<u>0536</u>	Faer Reel			08/27/2018	Email
<u>0537</u>	Graham Farrar			08/27/2018	Email
<u>0538</u>	Deanna Garcia			08/27/2018	Email
<u>0539</u>	Sean Trainor		Sensi Valley Farms, LLC	08/27/2018	Email
<u>0540</u>	David Mills			08/27/2018	Email
<u>0541</u>	No Name Provided		Emerald Triangle Cultivators	08/27/2018	Email
<u>0542</u>	Karen Byars			08/27/2018	Email
<u>0543</u>	Joseph Bonomolo			08/27/2018	Email
<u>0544</u>	Michael Bailey			08/27/2018	Email
<u>0545</u>	Dale Sky Jones	Executive Chancellor	Oaksterdam University	08/27/2018	Email
<u>0546</u>	Tom Ryden		Give and Take Collective	08/27/2018	Email
<u>0547</u>	Lara DeCaro		Leland, Parachini, Steinberg, Matzger & Melnick	08/27/2018	Email
<u>0548</u>	Jude Thilman		Bhutan/Dragonfly Wellness Center	08/27/2018	Email
<u>0549</u>	David Bruno	Polices & Procedures Analyst	County of Santa Clara - Office of the County Exec.	08/27/2018	Email
<u>0550</u>	Holly Carter	Co-Founder	Oxalis Integrative Support System	08/27/2018	Email
<u>0551</u>	James Kleier Jr.	Manager – Policy Initiatives	FLOW KANA	08/27/2018	Email
<u>0552</u>	Seth Rosmarin	Owner / Operator	Cannabis Ag Advisors (CAA)	08/27/2018	Email
<u>0553</u>	Blaire AuClair		Radicle Herbs	08/27/2018	Email
<u>0554</u>	Ruth Bergman		Deep Roots Farm	08/27/2018	Email
<u>0555</u>	Anira G'Acha	Small Famer		08/27/2018	Email
<u>0556</u>	Marnie Birger			08/27/2018	Email
<u>0557</u>	Jeff Dolf	Agricultural Commissioner	Humboldt County - Dept of Agriculture	08/27/2018	Email
<u>0558</u>	Kary Radestock	CEO	Hippo Premium Packaging	08/27/2018	Email
<u>0559</u>	Diana Gamzon	Executive Director	Nevada County Cannabis Alliance	08/27/2018	Email
<u>0560</u>	Jared Koenig			08/27/2018	Email

0561	Max Esdale		Get Meadow	08/27/2018	Email
0562	Marnie Birger			08/27/2018	Email
0563	Lorelie Sandomeno		Sunrise Mountain Farms	08/27/2018	Email
0564	Anira G'Acha	Small Farmer		08/27/2018	Email
0565	Marnie Birger			08/27/2018	Email
0566	Mel Halbach			08/27/2018	Email
0567	Marnie Birger			08/27/2018	Email
0568	M. Sean Harrison	Attorney	Prometheus Civic Law	08/27/2018	Email
0569	Leif Bierer			08/27/2018	Email
0570	Virginia Keehne			08/27/2018	Email
0571	Pamela Epstein	CEO & Managing Partner	Green Wise Consulting LLC	08/27/2018	Email
0572	Ron Edwards		CKA Nursery	08/27/2018	Email
0573	Caren Woodson	Compliance Director	SPARC	08/27/2018	Email
0574	Don Duncan		BHC Consultants	08/27/2018	Email
0575	Jason Tackitt			08/27/2018	Email
0576	Jason David	CEO	Jayden's Journey	08/27/2018	Email
0577	Mariah Gregori		Clear Water Farms	08/27/2018	Email
0578	Malaki Seku-Amen	President & CEO	California Urban Partnership	08/27/2018	Email
0579	Ruth Bergman		Deep Roots Farm	08/27/2018	Email
0580	Clifford Morford		Heartrock Mountain Farm	08/27/2018	Email
0581	Jack Anderson	Policy Analyst	County Health Executives Association of CA	08/27/2018	Email
0582	Robert May	Managing Partner	Humboldt Sky	08/27/2018	Email
0583	Autumn Shelton	Owner / CFO	Autumn Brands	08/27/2018	Email
0584	Russell Perrin			08/27/2018	Email
0585	David Ayster			08/27/2018	Email
0586	Monica Boettcher			08/27/2018	Email
0587	Mariah Gregori		Clear Water Farms	08/27/2018	Email
0588	David Ayster	Operations Manager	Root One Botanicals	08/27/2018	Email
0589	Anira G'Acha	Small Farmer		08/27/2018	Email
0590	Virginia Fair Amitani			08/28/2018	Hand delivered at 8/28/18 public hearing
0591	Spencer Manners			08/28/2018	Hand delivered at 8/28/18 public hearing

					Hand delivered at 8/28/18 public hearing
<u>0592</u>	Troy Villa			08/28/2018	
<u>0593</u>	No Name Provided			08/27/2018	Email
					Hand delivered at 8/28/18 public hearing
<u>0594</u>	John Harlow		Strange Lands	08/28/2018	
					Hand delivered at 8/28/18 public hearing
<u>0595</u>	Omar Figueroa	Attorney	Law Office of Omar Figueroa	08/28/2018	
					Hand delivered at 8/28/18 public hearing
<u>0596</u>	Brendon Davis			08/28/2018	
<u>0597</u>	Diane Armato			08/27/2018	U.S. Mail
<u>0598</u>	Maria Sluis			08/27/2018	U.S. Mail
<u>0599</u>	Dustin Moore	Executive Dir.	International Cannabis Farmers Association	08/27/2018	Email
<u>0600</u>	Debbie Perticara			08/27/2018	Email
<u>0601</u>	Marnie Birger			08/27/2018	Email
<u>0602</u>	No Name Provided			08/27/2018	Email
<u>0603</u>	Hannah Nelson	Attorney		08/27/2018	Email
<u>0604</u>	Jeff Jones			08/27/2018	Email

Comments received verbally at the four public hearings are designated with an “H.” The digit before the “H” indicates the hearing where the comment originated (1 = Eureka, CA; 2 = Riverside, CA; 3 = Santa Barbara, CA; and 4 = Sacramento, CA). The digits following the “H” indicate the page number of the respective transcript where the comment can be located. Transcripts of the hearings and the hearing attendance (sign-in) registers are contained in the rulemaking file.

Hearing No.	Name of Commenter	Title/Company	Location in Transcripts
<u>1H</u>	Nancy Atkinson	Civil Engineer	pp. 4-6
<u>1H</u>	Susan Combes	CW Ranch	pp. 6-7; pp. 22-23
<u>1H</u>	Leland Yialelis	7 Leaf Clover	pp. 7-9
<u>1H</u>	Fred Krissman	Cultural Anthropologist, Humboldt State University	pp. 9-11; pp. 23-26
<u>1H</u>	Unidentified Speaker		pp. 11-13
<u>1H</u>	Unidentified Speaker		pp. 14-15
<u>1H</u>	Unidentified Speaker		pp. 15-16
<u>1H</u>	Margaret Wizer		pp. 16-18
<u>1H</u>	Unidentified Speaker		pp. 18-19
<u>1H</u>	Unidentified Speaker		pp. 19-22
<u>1H</u>	Gary Wallaert	Owner, Haiku Design	pp. 26-27
<u>1H</u>	Tony Silvaggio	Humboldt State University	pp. 28-30; pp. 45-47
<u>1H</u>	Suzanne Mace		pp. 30-31
<u>1H</u>	Lindsay Renner	Native Humboldt Farms	pp. 31-32
<u>1H</u>	George Head	Undeniable Farms	pp. 32-34
<u>1H</u>	Robert Jensen	North Point Consulting	pp. 34-35
<u>1H</u>	Karen Hessler	Amaranth Farms	pp. 35-37
<u>1H</u>	Carl (No last name provided)	Cannabis Farmer, Humboldt	p. 37
<u>1H</u>	Unidentified Speaker		pp. 38-40
<u>1H</u>	Unidentified Speaker		pp. 40-44
<u>1H</u>	Boyd Smith	Ecologist, ecomonthly.com	pp. 48-53
<u>1H</u>	Unidentified Speaker		pp. 54-55
<u>1H</u>	Unidentified Speaker		p. 55
<u>2H</u>	Unidentified Speaker		pp. 3-4
<u>2H</u>	Unidentified Speaker	Cultivator	pp. 4-6; p. 27
<u>3H</u>	Unidentified Speaker		pp. 3-4
<u>3H</u>	Jackie Campbell	County of Santa Barbara, Planning & Development Department	pp. 4-7
<u>3H</u>	Hilart Abrahamian	Cofounder, WebJoint	pp. 8-10
<u>3H</u>	Sean Donohoe	Operative Campaigns LLC	pp. 11-13
<u>3H</u>	John Oghoc	Total Cannabis	pp. 14-18
<u>4H</u>	Monique Ramirez	Covelo Cannabis Advocacy Group	pp. 5-7; 26-27

<u>4H</u>	Unidentified Speaker	Cultivator	pp. 7-8; 45-46
<u>4H</u>	Unidentified Speaker		pp. 8-10
<u>4H</u>	Unidentified Speaker	Licensed Cultivator, Mendocino County	pp. 10-12
<u>4H</u>	James Kleier	Flow Kana	pp. 12-16; 28-31; 38-40
<u>4H</u>	John Harlow	Strange Lands	pp. 16-17; 33-34
<u>4H</u>	Laura Ferranti	Recology	pp. 17-19
<u>4H</u>	Kate Voorhees	CA League of Conservation Voters	pp. 19-20
<u>4H</u>	John Brower		pp. 20-22; 36-38; 52-54
<u>4H</u>	Marvin Beerbohm	United Cannabis Business Association	pp. 22-24
<u>4H</u>	Kenny Sadler	CA Urban Partnership	pp. 24-26
<u>4H</u>	Sean Trainor	Sensi Valley	pp. 31-33; 34-36; 46-48
<u>4H</u>	Mindy Galloway	Executive Dir., Yolo Cannabis Coalition	pp. 40-42; 43-44
<u>4H</u>	Spencer Mathers	Food Scientist & Cultivator	pp. 42-43
<u>4H</u>	Michael Cooper	Madison Jay Solutions	pp. 44-45
<u>4H</u>	Christian Figueroa	Geologist & Consultant for Tierra Consulting	pp. 48-50; 54-55
<u>4H</u>	Troy Villa		pp. 50-52

B. Comments and Responses Related to Articles 1 through 7.

ARTICLE 1. DEFINITIONS

Section 8000. Definitions.

Comment: Change the word “strain” to “cultivar” in section 8000(d). The term “strain” is a colloquial term with no scientific definition. “Cultivar” is a horticultural term used to refer to plants cloned from mothers or grown from seeds that have been derived from an inbreeding process to produce true-to-type offspring. **[0296; 0298; 0306; 0312; 0315; 0318; 0325; 0341; 0351; 0364; 0367; 0451; 0464; 0471; 0479; 0530; 0542; 0548; 0572; 0584; 0589; 0603]**

Response: The Department has partially accepted this comment. CDFA has changed the text to “strain or cultivar” throughout the proposed regulations for clarity. “Strain” is a term used throughout the Medicinal and Adult-Use Cannabis Regulation and Safety Act (Bus. & Prof. Code § 26000 et seq.) and the term “strain” has been maintained rather than replaced.

Comment: Amend section 8000(d) to read: “A lot is defined by, same strain, having similar harvest dates, and cultivated using similar farming methods. A batch of flowers is the same strain but a batch of kief can be of mixed strains.” **[0491]**

Response: CDFA disagrees with this comment. Business and Professions Code section 26001, subdivision (d) defines “batch.” The Department is merely implementing statute.

Comment: Citing section 8000, subdivisions (d) and (r), compliance testing should be allowable for the entire harvest, as a batch, with separate cannabinoid profile testing for each strain (“lots” within a batch) instead of costly full compliance testing for each strain (lot). **[0136]**

Response: CDFA disagrees with this comment. The Department lacks the authority regarding testing requirements. Business and Professions Code section 26012, subdivision (a) gives the Bureau of Cannabis Control authority for testing cannabis and cannabis products.

Comment: Regarding the definition of canopy in section 8000(f), calculation of square footage needs consistency in comparison to Humboldt's ordinance. **[1H.34]**

Response: CDFA disagrees with this comment. The Department considered definitions from various counties as well as the traditional agriculture definition of canopy, which would not count the spaces between plants as canopy. However, the Department rejected these definitions as unreasonable to apply when determining license type sizes and concluded that it was reasonable to require identifiable boundaries to determine canopy. Additionally, it is not feasible for the Department to be consistent with each county's definition of canopy because they all differ.

Comment: Regarding section 8000(f), for most outdoor cultivators in Mendocino county, requiring the inclusion of otherwise empty space in calculating total canopy is unfair because either they will have to cut back drastically on total production or pay onerous license fees. **[0264; 0269; 0277; 0282; 0301; 0305; 0326; 0329; 0406]**

Response: CDFA has decided not to accommodate this comment. Regarding canopy, the Department considered definitions from various counties as well as the traditional agriculture definition of canopy, which would not count the spaces between plants as canopy. However, the Department rejected these definitions as unreasonable to apply when determining license type sizes and concluded that it was reasonable to require identifiable boundaries to determine canopy.

Comment: Regarding canopy in section 8000(f), consider the drip line of the plant to be an “identifiable boundary.” [0264; 0269; 0277; 0282; 0300; 0301; 0305; 0326; 0329; 0406; 0467; 0468; 0533]

Response: CDFA disagrees with this comment. The definition of canopy was added to clarify the statutory reference of canopy throughout the Medicinal and Adult-Use Cannabis Regulation and Safety Act, specifically Business and Professions Code section 26061, subdivision (a), where license size limits are determined by canopy. The Department considered definitions from various counties as well as the traditional agriculture definition of canopy including the drip line of plants. However, the Department rejected these definitions as unreasonable to apply when determining license type sizes and concluded that it was reasonable to require identifiable boundaries to determine canopy. The drip line of a plant is not considered an identifiable boundary because it changes with plant growth and cannot be consistently identified or measured.

Comment: Regarding section 8000(f), the comment provides an example of a methods to measure canopy. The suggestion is to take a straight pole with simple bubble level type devices affixed to allow the pole to be held precisely vertically at the point of farthest reach of the plant and measure with a tape to the stalk to determine a radius and then calculate, using a formula for the area of a circle, the estimated area. A sample of representative plants could be measured, and total canopy determined by averaging the results and multiplying by the number of plants. This would conservatively overestimate the canopy, but the result would be vastly fairer than the current method and much more acceptable to craft farmers. [0264; 0269; 0277; 0282; 0301; 0305; 0326; 0329; 0406; 0467; 0468]

Response: CDFA disagrees with this comment. The Department considered definitions from various counties as well as the traditional agriculture definition of canopy, which would not count the spaces between plants as canopy. The method suggested by the commenters is not feasible for the Department to implement because a “sample of representative plants” is vague and there is no way for the Department to verify the calculation. The Department cannot adopt the proposed definition because it is unreasonable to apply when determining license type sizes and the current proposed definition reasonably requires identifiable boundaries to determine canopy.

Comment: Regarding section 8000(f), without a regulatory interpretation which recognizes the essential role of large non-canopy spaces between plants in the practice of craft cultivation the survival of many craft cultivators will only be further jeopardized. [0264; 0269; 0277; 0282; 0301; 0305; 0326; 0329; 0406; 0467; 0468]

Response: CDFA disagrees with this comment. The definition of canopy allows for non-contiguous canopy areas under one license so long as there is an identifiable boundary. Cultivators may use identifiable boundaries around individual plants to allow large non-canopy spaces between plants.

Comment: Regarding section 8000(f), cannabis canopy should only include actual cannabis canopy and should not be penalized for growing a multitude of crops in the same general area of the cannabis. [0286]

Response: CDFA disagrees with this comment. The Department is not sure to what the commenter is referring. The proposed regulation does not penalize cultivators for growing a multitude of crops in the same general area as cannabis. The Department notes that cultivators may use identifiable boundaries to ensure canopy measurements include only “actual cannabis canopy.”

Comment: Regarding canopy (section 8000(f)), agencies should not have an arduous time measuring square footage and it needs to be clear so people don't grow beyond their permit size. **[0286]**

Response: CDFA disagrees with this comment. This definition was added to clarify the statutory reference of canopy throughout the Medicinal and Adult-Use Cannabis Regulation and Safety Act, specifically Business and Professions Code section 26061, subdivision (a), where license size limits are determined by canopy. The Department considered definitions from various counties as well the traditional agriculture definition of canopy, which would not count the spaces between plants as canopy. However, the Department rejected these definitions as unreasonable to apply when determining license type sizes and concluded that it was reasonable to require identifiable boundaries to determine canopy. The Department believes that the definition is clear and does not burden staff when determining the canopy size.

Comment: From the definition of “canopy” in section 8000(f)(1), remove: “...including all of the space(s) within the boundaries.” **[0310; 0311; 0328; 0398; 0506; 0604]**

Response: CDFA disagrees with this comment. The Department considered definitions from various counties as well as the traditional agriculture definition of canopy, which would not count the spaces between plants as canopy. However, the Department rejected these definitions as unreasonable to apply when determining license type sizes and concluded that it was reasonable to require identifiable boundaries and to count the space within the boundary in the calculation of the canopy size.

Comment: Regarding section 8000(f) and “canopy,” why are hoop-house walls the boundary? If a licensee has garden beds within a hoop-house, which “boundary” will apply? **[0321]**

Response: No amendment to the definition of “canopy” is needed based on this comment since the current definition of “canopy” already allows hoop-house walls or garden beds to serve as the boundary of measured canopy.

Comment: In section 8000(f)(2), what is the definition of a hedgerow? [0394]

Response: CDFA has decided not to accommodate this comment. The term “hedgerow” is a commonly used term in traditional agriculture and does not need to be clarified in statute or regulation.

Comment: Regarding section 8000(f) and “canopy,” request to include the total square footage of irregular shapes and not be required to include dimensions on regular shapes. [0440]

Response: CDFA has decided not to accommodate this comment. The definition of canopy already allows for non-contiguous, unique canopy areas under one license, provided each unique area is calculated in square feet and measured using clearly identifiable boundaries. If the comment is referring to the dimensions required on the premises diagram, the dimensions of each contiguous area of irregular and regular shapes are necessary to determine the license size limits. It is imperative that all canopy dimensions are clearly identified for accuracy and compliance purposes.

Comment: In section 8000(f), define canopy by defined markers. [0500]

Response: CDFA has decided not to accommodate this comment. The Department considered definitions from various counties as well as the traditional agriculture definition of canopy, which would not count the spaces between plants as canopy. However, the Department rejected these definitions as unreasonable to apply when determining license type sizes and concluded that it was reasonable to require identifiable boundaries to determine canopy.

Comment: Regarding section 8000(f), the State should acknowledge there are other definitions for plant canopy. [0506]

Response: CDFA disagrees with this comment. This definition was added to clarify the statutory reference of canopy throughout the Medicinal and Adult-Use Cannabis Regulation and Safety Act, specifically Business and Professions Code section 26061, subdivision (a), where license size limits are determined by canopy. The Department considered definitions from various counties as well as the traditional agriculture definition of canopy, which would not count the spaces between plants as canopy. However, the Department rejected these definitions as unreasonable to apply when determining license type sizes.

Comment: Regarding section 8000(f) and “canopy,” many outdoor cultivators space out their cannabis plants to allow for farm equipment to access the garden, as well as disease and pest management. This creates very large pathways. If spaces are included in the boundaries, there is potential that a larger license will be needed. **[0506; 0592; 4H.5]**

Response: CDFA disagrees with this comment. The space inside of (within) the identifiable boundary is what is included in canopy calculations, the space outside of the boundary is not included. If pathways are outside of the identified boundaries, then the pathways are not included in the definition. No change to the regulation is required.

Comment: Regarding section 8000(f), the Department has proposed retaining its prior definition of plant canopy. Unlike some other issues in the emerging cannabis industry, canopy is a well-established and defined measurement in horticulture and related disciplines. The consensus approach for plant canopy utilizes root zone, or root area volume, as the preferred method of measurement. **[0568]**

Response: The Department has rejected this comment as unreasonable. Measuring canopy by volume of the root zone at its widest point as described would cause undue hardship on licensees and the Department because licensees would have to approximate the root zone volume of their total canopy when applying for a license which creates compliance issues for licensees and enforcement issues for the Department. Measuring root zone volume for individual plants throughout cultivation period(s) is an undue hardship on the Department and when identifying accurate canopy measurements during application review and compliance

inspections. Additionally, variance in root zone volume based on cultivation method (outdoor in soil versus indoor hydroponic) would cause unfair canopy measurements and thus create an unfair licensing fee structure.

Comment: Regarding section 8000(f) and “canopy,” the definition should be clarified to represent the best and most accurate measurement method available. Uniformity and accuracy are essential when considering the numerous local jurisdictions which assess taxes based on plant canopy. Notably, in its proposed definition of “immature plant” CDFA already references the “mass of roots” in the specific measurement. **[0568]**

Response: CDFA disagrees with this comment. The Department considered definitions from various counties as well as traditional agriculture and determined the definition of canopy is reasonable. Local jurisdictions’ tax structures are independent of state licensing, and therefore, are not germane to the definition of canopy. Furthermore, the definition of “immature plant” includes the root mass to distinguish when a cutting or seedling shall be identified for plant tagging purposes and enforcement consistency and is not directly related to the definition of canopy.

Comment: Regarding section 8000(f), measure greenhouse square footage by canopy, not outside dimensions of the greenhouse and outdoor by canopy not fenced area. **[0569]**

Response: CDFA agrees with this comment. The definition already allows canopy to be calculated in square feet and to be measured using clearly identifiable boundaries. Cultivators may use the boundary dimensions of a greenhouse as an identifiable boundary or they may use a different identifiable boundary within the greenhouse to indicate the canopy dimensions. Outdoor cultivators may identify a contiguous large fenced area as their canopy boundary or may identify boundaries around each plant. No change to the regulation is required.

Comment: Regarding section 8000(f), measure canopy by individual plant diameter. **[0580]**

Response: CDFA has decided not to accommodate this comment. Cannabis plants can range significantly in size at maturity based on plant genetics and environmental conditions. The Department determined it unreasonable, unfair, and ultimately inaccurate to use a standard plant diameter for canopy measurements. However, cultivators may use identifiable boundaries around each plant to customize non-contiguous canopy area(s) for each individual plant.

Comment: Regarding section 8000(f), canopy space should be defined in a noncontiguous space. [4H.27; 4H.49]

Response: CDFA disagrees with this comment. The definition of canopy does allow for non-contiguous canopy areas under one license if each area is separated by an identifiable boundary. If licensees are utilizing shelves for their mature plants, each shelf area will need to be included in the canopy calculation to properly account for all mature plant production. This definition was added to clarify the statutory reference of canopy throughout the Medicinal and Adult-Use Cannabis Regulation and Safety Act, specifically Business and Professions Code section 26061, subdivision (a), where license size limits are determined by canopy.

Comment: Redefine canopy. It creates incentive to maximize your area and space, which creates unsafe working conditions and unrealistic expectations of your production area. [4H.50]

Response: CDFA has decided not to accommodate this comment because there is not enough information for the Department to act. The Department considered definitions from various counties as well as the traditional agriculture definition of canopy, which would not count the spaces between plants as canopy. However, the Department rejected these definitions as unreasonable to apply when determining license type sizes and concluded that it was reasonable to require identifiable boundaries to determine canopy.

Comment: Amend section 8000(f)(3) to read: “If mature plants are being cultivated using a shelving system, the surface area root zone volume of each level shall be included in the total canopy calculation.” [0568]

Response: CDFA disagrees with this comment. If licensees are utilizing shelves for their mature plants, each shelf area will need to be included in the canopy calculation to properly account for all mature plant production. Measuring canopy by volume of the root zone at its widest point as described would cause undue hardship on licensees and the Department because licensees would have to approximate the root zone volume of their total canopy when applying for a license which creates compliance issues for licensees and enforcement issues for the Department. Measuring the root zone volume for individual plants throughout the cultivation period(s) is an undue hardship for the Department when identifying accurate canopy measurements during application review and compliance inspections. Additionally, variance in root zone volume based on cultivation method (outdoor in soil versus indoor hydroponic) would cause unfair canopy measurements and thus create an unfair licensing fee structure.

Comment: Regarding section 8000(h), include “packaging, labeling, and storing” in the definition of “cultivation.” The definition of “cultivation” needs to be consistent with other regulatory language that implies and directly states language to include packaging, labeling, and storage in cultivation licensing definitions. [0309; 0333; 0336; 0398]

Response: CDFA cannot accommodate this comment. Business and Professions Code section 26001, subdivision (l) defines cultivation. The Department is merely implementing statute. Because processing and cultivation are separately licensed activities, amending the definition of “cultivation” as suggested in this comment would conflict with statutory mandates under the Medicinal and Adult-Use Cannabis Regulation and Safety Act.

Comment: To the definition of “cultivation” in section 8000(h) add: “level 1 processing and packaging of the cannabis grown on the licensed site” to ensure that cultivators can minimally process their own product. [0310; 0311; 0328; 0506; 0604]

Response: CDFA cannot accommodate this comment. Business and Professions Code section 26001, subdivision (l) defines cultivation. The definition already encompasses activities associated with processing cannabis (harvesting, drying, curing, grading and trimming). Accommodating the comment would require a legislative change and is not necessary because the proposed regulations already allow licensees holding cultivation licenses to process their own product. No further clarification is necessary.

Comment: In section 8000(h), the term “grading” should be clearly defined as follows: “Grading” means any excavating or filling of earth material or any combination thereof conducted at a site to prepare said site for cultivation or other agricultural purposes. **[0493]**

Response: CDFA disagrees with the comment. Grading as described in the comment is outside of the Department’s jurisdiction. Further, the definition refers to the grading of commercial cannabis, not grading of the land where the cannabis is growing. No change to the regulation is required.

Comment: Regarding section 8000(i) and the definition of “cultivation site,” include “packaging, labeling, and storing.” The definition of “cultivation site” needs to be consistent with other regulatory language that implies and directly states language to include packaging, labeling, and storage in cultivation licensing definitions. **[0309; 0333; 0336]**

Response: CDFA cannot accommodate this comment. Business and Professions Code section 26001, subdivision (m) defines “cultivation site.” The Department is merely implementing statute.

Comment: Regarding section 8000(l), revise the definition of “flowering” to read “pistils measure one inch in size.” **[0136; 0310; 0311; 0328; 0398; 0506; 0604]**

Response: CDFA disagrees with this comment. The Department determined the current definition is reasonable because it is congruent with other states’ cannabis regulations which define “flowering” as the cannabis plant being in a reproduction state with physical signs of

flower budding. Providing a measurable point in the life cycle of the cannabis plant to determine its maturity provides transparency to cultivators and consistency for enforcement. The Department determined one inch is too large and the half inch size is more appropriate and reasonable.

Comment: Regarding section 8000(m), the definition of “immature plant” needs to be modified. To harvest something based off of a “first true leaf” or the width of roots seems arbitrary. Until a plant has started flowering, it is still immature. **[0019; 2H.5; 3H.11]**

Response: CDFA disagrees with this comment. The language of first true leaf and width of roots is referencing when a plant becomes immature during the propagation process and is not related to when the plant becomes mature. The Department determined the definition reasonable and necessary to indicate when a seedling or clone becomes viable enough to be considered a plant. Prior to the development of a first true leaf or root, the organism is not a viable plant.

Comment: Regarding section 8000(m), concerned about a bill proposed in the legislature that would change the definition of “immature plant.” **[3H.11]**

Response: CDFA cannot accommodate this comment as the commenter is referencing a proposed bill that has not been adopted. Should a definition change be passed by the Legislature, the Department would be obligated by law to implement the statute.

Comment: The current definition of “immature plant” in section 8000(m) is appropriate in terms of adding the definition of leaf and root mass to create a delineation of when it becomes an immature plant and that the definition of mature only gets triggered when it is flowering, when the pistol is greater than a half inch at its greatest width. **[3H.12]**

Response: The Department has noted this comment.

Comment: Regarding section 8000(m) and the definition of “immature plant,” stick with the science of biology. Flowering characteristics are a fantastic way of defining immature plants rather than using some arbitrary height limitation as is being proposed by others throughout the California government. [3H.12]

Response: The Department has noted this comment. The Department interprets the comment to be in support of the current definition. If the commenter is not in support of the definition, the Department is not sure what the commenter means.

Comment: Regarding section 8000(m), the threshold definition for a plant being big enough to qualify as “immature” should be set as “roots growing out of rockwool cube or other propagation method with roots measuring at least 1” in length.” [0127; 0296; 0298; 0312; 0315; 0318; 0325; 0341; 0351; 0364; 0421; 0450; 0464; 0471; 0479; 0530; 0542; 0548; 0572; 0584; 0589; 0603]

Response: CDFA rejects this comment. The Department determined measuring root mass width is more reasonable than measuring root length and that plants with a root mass wider than one half inch wide are viable enough to be classified as immature and subjected to associated plant tagging requirements. It is not necessary to further specify the inclusion of rock wool or other propagation substrates in the definition. Further, the development of a plant’s root length is impacted by cultivation practices such as irrigation, fertilization, and substrate composition, and would not provide a consistent method of measurement for regulatory purposes.

Comment: Regarding section 8000(m), support the definition of “immature plant” as re-adopted in the emergency regulations on June 4, 2018. This definition provides certainty to cultivators and clearly defines what constitutes an “immature plant.” [0173; 0303; 0326; 0329; 0414; 0449; 0521; 0529; 0551; 0571; 4H.41]

Response: The Department rejects this comment as unreasonable because it would perpetuate confusion and inconsistency. The Department changed the definition of “immature

plant” to provide transparency for cultivators and consistency for enforcement and plant tagging requirements. The change is reasonable and necessary because it specifies when a plant becomes immature based on propagation methods. The previous definition lacked specificity and clarity regarding when a plant becomes an immature plant. This created confusion and inconsistent interpretations of tagging requirements. The Department determined the proposed definition is reasonable and necessary.

Comment: Regarding section 8000(m) and the definition of “immature plant,” a much fairer system is needed to designate plants as immature until their viability and worth could be ascertained. [0136; 0173; 0259; 0604]

Response: The Department has decided not to accommodate this comment because it does not provide any specific suggestion relevant to the regulations. The Department considered plant viability in the existing definition of “immature plant” and believes the current definition adequately identifies the stage plants become viable and the requirements for tagging lots of immature plants is not overly burdensome to cultivators who may need to cull immature plants prior to planting them in the canopy area.

Comment: In section 8000(m), further define “immature plant” as a plant that is in a 3.5 inch/one quarter gallon pot or larger. If in a 3.5-inch pot, when 12 inches tall, apply a UID. [0136; 0310; 0311; 0328; 0398; 0506]

Response: CDFA has decided not to accommodate this comment. The Department does not agree with limiting cannabis plants to the size of the pot because some cultivators plant directly in the ground or garden beds and the size of pots used may vary significantly across cultivation practices. Further, it is not necessary to apply a single UID to individual 12-inch plants. The Department has determined it is most reasonable to maintain the written definition of immature plant and require immature plants be tagged in lots versus tagged individually.

Comment: Regarding section 8000(m), are clones considered immature plants? [4H.31]

Response: The Department has determined that clones are considered immature plants per the definition of “immature plant” in section 8000, subdivision (m). No clarification is needed in the proposed regulation text.

Comment: In section 8000(n), add “except nurseries” to the definition of “indoor cultivation” as follows: “...at a rate above twenty-five watts per square foot, except nurseries” to clarify that nursery licensees do not have a wattage limitation and can use more than twenty-five watts per square foot of artificial lighting. [0127; 0296; 0298; 0312; 0315; 0318; 0325; 0341; 0351; 0364; 0421; 0450; 0464; 0471; 0479; 0530; 0542; 0548; 0572; 0584; 0589; 0603]

Response: CDFA disagrees with this comment. No change or clarification is necessary because a nursery is not associated with the definition of indoor cultivation. Nursery, is defined separately in section 8000, subdivision (w) of the proposed regulations and no wattage restrictions accompany the nursery license type. Nurseries that cultivate indoors can use an unlimited amount of artificial lighting.

Comment: To the definition of “indoor cultivation” in section 8000(n) add: “Unless designated space is identified in the premises diagram as “Nursery,” it would not be considered “Indoor Cultivation.” [0310; 0311; 0328; 0398; 0506; 0604]

Response: CDFA disagrees with this comment. No change to the regulations are necessary because a nursery is not part of the definition of indoor cultivation and nursery is defined separately in section 8000, subdivision (w) of the regulations. If the commenter is referring to the ability of propagating immature plants with lights, the Department notes that lights are permitted in identified immature plant areas.

Comment: Regarding light deprivation (section 8000(q)), are plants always in a greenhouse?
[1H.49]

Response: With respect to light deprivation, plants are not required to be in a greenhouse. No clarification is needed in the regulation text. The Department notes that light deprivation is most commonly used in greenhouses but can also occur in other structures such as hoop houses.

Comment: Regarding light deprivation (section 8000(q)), is there never light used on the plants? [1H.49]

Response: With respect to light deprivation, this is a technique used to eliminate natural light to induce flowering as defined in section 8000, subdivision (q). No clarification is needed in the regulation text of this definition. In other regulation sections, the Department specifies which license types may use light deprivation with or without artificial lighting. The Department notes that light deprivation is commonly used with artificial lighting.

Comment: Regarding light deprivation (section 8000(q)), is there never alternative energy sources used? [1H.49]

Response: With respect to the definition of light deprivation, this is a technique to eliminate natural light to induce flowering as defined in section 8000, subdivision (q). No clarification is needed in the regulation text of this definition. In other regulation sections, the Department specifies which license types may use light deprivation with or without artificial lighting. The Department notes that light deprivation is commonly used with artificial lighting.

Comment: Regarding the definition of “light deprivation” in section 8000(q), differentiate between using light deprivation in a greenhouse and just using the sun to cultivate cannabis. [1H.54]

Response: CDFA disagrees with this comment. The Department’s regulations specify that outdoor license types exclude the use of light deprivation. All other license types (mixed-light and indoor) allow the use of light deprivation. No clarification is needed in the regulation text.

Comment: The definition of “light deprivation” in section 8000(q) is unfair as it is too scientific. Light deprivation can be attained without the use of any artificial light. Most farmers think light deprivation is the blocking out of natural light, not using electricity for lighting purposes. **[0042]**

Response: CDFA rejects this comment. The Department determined this definition can be reasonably understood by persons commercially cultivating cannabis and by individuals that have a basic understanding of cannabis biology. The Department agrees that light deprivation can be attained without the use of any artificial light, and for this reason, artificial light is not mentioned in the definition of light deprivation. If this comment is meant to be directed to the tiering structure of mixed light cultivation, the Department further addresses this comment in responses to the definition of mixed-light cultivation tiering structure.

Comment: Regarding section 8000(q), light deprivation alone, without any artificial lighting, should be in its own separate license classification. **[0282; 0301; 0428; 0550]**

Response: CDFA rejects this comment. Light deprivation is included in section 8000, subdivision (t)(1), under mixed-light cultivation. The Department determined the use of light deprivation techniques falls within mixed-light cultivation because the use of light deprivation, with or without supplemental artificial light, produces more flowering cycles than a standard outdoor planting. The Department tiered the mixed-light license category to accommodate a range of artificial lighting that may be used with or without light deprivation. The lower tier allows for mixed-light cultivation using light deprivation and little to no artificial lighting.

Comment: Regarding section 8000(q), to include the use of light deprivation in the absence of artificial light is inconsistent with the law as written. **[0282; 0301; 0428]**

Response: CDFA disagrees with the comment. The definition is within the scope of the statute and reasonably incorporates light deprivation within the spectrum of artificial lighting. Furthermore, light deprivation cultivation methods can produce similar numbers of harvests per year as methods using low wattage lighting and the two methods are commonly used simultaneously within the industry. The inclusion of light deprivation in the definition of mixed-

light cultivation is necessary to establish appropriately scaled licensing fees amongst licensees.

Comment: Modify definition of “light deprivation” in section 8000(q) to exclude light deprivations as a criterion for mixed-light. [0432; 0466; 0474; 0592; 4H.9; 4H.12]

Response: CDFA rejects this comment. The Department believes the definition of light deprivation reasonably defines the activity. If this comment is meant to be directed to the tiering structure of mixed light cultivation, the Department further addresses this comment in responses to the definition of mixed-light cultivation tiering structure.

Comment: Regarding section 8000(q), tarps used for light deprivation can also be used to protect outdoor plants during certain climate conditions. Assuming a tarp is being used for light deprivation will lead to misunderstandings and unjust enforcement. [0508]

Response: CDFA disagrees with the comment. The current definition is necessary to provide clarity and certainty to applicants, licensees, and Department staff about what techniques constitute light deprivation.

Comment: The Department does not have the power to rewrite California law; that is the purview of the legislature. The proposed regulations pertaining to “light deprivation” in section 8000(q) would in effect amend Business and Professions Code section 26061 so that “mixed-light” no longer means a combination of natural and supplemental artificial lighting, but also light deprivation without supplemental artificial lighting. [0595]

Response: CDFA disagrees with the comment. The definition is within the scope of the statute and reasonably incorporates light deprivation within the spectrum of artificial lighting. Furthermore, light deprivation cultivation methods can produce similar numbers of harvests per year as methods using low wattage lighting and the two methods are commonly used simultaneously within the industry. The inclusion of light deprivation in the definition of mixed-

light cultivation is necessary to establish appropriately scaled licensing fees amongst licensees.

Comment: Regarding section 8000(q), there is simply no necessity for defining “light deprivation” without artificial lighting as “mixed-light cultivation.” [0595]

Response: CDFA disagrees with this comment. CDFA determined it is necessary and reasonable to include light deprivation techniques in mixed light cultivation because light deprivation cultivation methods can produce similar numbers of harvests per year as methods using low wattage lighting and the two methods are commonly used simultaneously within the industry. The inclusion of light deprivation in the definition of mixed-light cultivation is necessary to establish appropriately scaled licensing fees amongst licensees and recognize industry cultivation methods.

Comment: Regarding section 8000(q), there is a very significant difference between simple light deprivation and the use of artificial light to change the growing pattern. [1H.7]

Response: CDFA disagrees with the comment. The definition reasonably incorporates light deprivation within the spectrum of artificial lighting. Additionally, the Department has provided two (2) tiers of mixed-light to establish appropriately scaled licensing fees amongst licensees and which recognize industry cultivation methods. No changes are needed in the regulation text.

Comment: Regarding section 8000(s), define “mature” as a female plant in flower with flower set at least 1 inch in diameter. A plant from seed stock can reach 6 feet before showing its sex. [0504]

Response: CDFA has decided not to accommodate this comment. The current definition is necessary for Department staff and licensees to differentiate between canopy and propagation areas at a cultivation site, for applicants and licensees to determine the license type, and to

clarify when plants must be individually tagged in the track-and-trace system. All plants producing flowers must be individually tagged and accounted for in the track-and-trace system.

Comment: There is conflict between the Department's definition of mixed-light (section 8000(t)) and Humboldt County's definition. CDFA regulations include "light deprivation" within the definition of "mixed light" whereas Humboldt County does not include "light deprivation" within its definition of "mixed light." [0006]

Response: CDFA has decided not to accommodate this comment. Per Business and Professions Code section 26200, subdivision (a)(1), local jurisdictions may establish their own ordinances and resolutions, which may result in differing definitions. The Department's regulations cannot accommodate each local jurisdiction's definitions because it would be impossible to be consistent with all of them. No changes are needed in the proposed regulation text.

Comment: Regarding section 8000(t)(1)(A), opposed to defining Mixed-light Tier 1 as with or without the use of artificial light. We have light deprivation systems that are manually operated and use 100% natural outdoor sunlight. [0006]

Response: CDFA has decided not to accommodate this comment. The Department has determined that it is necessary to include the use of light deprivation as mixed-light cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests.

Comment: Regarding section 8000(t), redefine mixed-light to use with only artificial light. Light deprivation is not mixed-light. [0006; 0015; 0508; 0529; 1H.11; 1H.17]

Response: CDFA has decided not to accommodate this comment. The Department has determined that it is necessary to include the use of light deprivation as mixed-light cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests.

Comment: Regarding section 8000(t), the added language that includes “light deprivation” under the “mixed light” licenses may deter individuals from pursuing legal cultivation. This is counterproductive to the main purpose of a regulatory system. The implications of this added language have not been thoroughly thought out; would like to see more investigation on the changes of the mixed-light language. [0014; 1H.4; 1H.5; 1H.12; 1H.30]

Response: CDFA has decided not to accommodate this comment. The Department has determined that it is necessary to include the use of light deprivation as mixed-light cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests.

Comment: Regarding section 8000(t), suggests that “light deprivation” be removed from the “mixed-light” licensing definition. [0014; 0168]

Response: CDFA disagrees with this comment. The Department has determined that it is necessary to include the use of light deprivation as mixed-light cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests.

Comment: Why does the State want to get rid of light deprivation/mixed-light techniques? There is nothing but positive impacts such as less energy consumption, more rotations of crops per year than “outdoor,” and no bigger environment impacts than “indoor” (mitigate light pollution). [0026]

Response: CDFA disagrees with this comment. The Department has not proposed to ban light deprivation and/or mixed-light techniques. Please refer to the definition of “mixed-light cultivation” in proposed regulation section 8000, subdivision (t).

Comment: If the Department eliminates light deprivation/mixed light, it will put a lot of small farmers out of business. [0026]

Response: CDFA disagrees with this comment. The Department has not proposed to ban light deprivation and/or mixed-light techniques. Please refer to the definition of “mixed-light cultivation” in proposed regulation section 8000, subdivision (t).

Comment: Disagree with the language in section 8000(t). Artificial light is light that is added, and light deprivation is light that is subtracted. It is artificial darkening, not artificial lighting.

[1H.5]

Response: The Department has decided not to accommodate this comment because it has determined it necessary to include the use of light deprivation as mixed-light cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests.

Comment: Regarding section 8000(t), light deprivation and artificial lighting should not be grouped together. **[0038; 0282; 0394; 0451; 0524; 1H.6; 1H.32; 1H.33]**

Response: The Department has decided not to accommodate this comment because it has determined it necessary to include the use of light deprivation as mixed-light cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests.

Comment: Regarding section 8000(t), light deprivation is a greener and a more ecologically friendly way of enhancing productivity without affecting carbon production, carbon load, and creation of electricity. **[1H.7]**

Response: The Department has noted this comment, but it does not make a suggested change to the proposed regulations. Therefore, no further response is required.

Comment: Regarding section 8000(t), the definition of “mixed-light cultivation” penalizes people who are trying to be more efficient and more ecologically sensitive while enhancing the productivity of their limited agricultural space. **[1H.8]**

Response: CDFA acknowledges the comment and recognizes there is a difference between light deprivation and the use of artificial light. The Department has determined it necessary to include the use of light deprivation as mixed-light cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests. The Department has provided two (2) tiers of mixed-light to account for cultivation that is more efficient and ecologically sensitive.

Comment: Regarding section 8000(t), recommend removing “without the use of artificial light” from the mixed-light tier one definition. **[0508; 1H.17]**

Response: CDFA has decided not to accommodate the comment. The Department determined it necessary to include the use of light deprivation as mixed-light cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests.

Comment: Regarding section 8000(t), suggest that there could be a three-tiered approach to mixed-light with tier 1 being simply no use of artificial light as opposed to no artificial light or up to six lights. **[0278; 0282; 0301; 1H.21]**

Response: CDFA disagrees with this comment. The Department recognizes there is a difference between light deprivation and the use of artificial light. The Department determined it necessary to include the use of light deprivation as mixed-light cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests. The Department has provided two (2) tiers of mixed-light and it would be confusing and unnecessary to include an additional tier.

Comment: Regarding section 8000(t), mixed-light with naturally grown plants would be one thing to redefine so modern consumers can be provided accurate information to make decisions that reflect their lifestyle choices. [1H.26]

Response: CDFA has decided not to accommodate this comment because the commenter has not provided information on how to redefine mixed-light.

Comment: Regarding section 8000(t), reconsider light deprivation as not being mixed-light Tier 1. [0278; 1H.31]

Response: CDFA has decided not to accommodate this comment. The Department determined it necessary to include the use of light deprivation as mixed-light cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests.

Comment: Request a clear distinction between mixed-light and light deprivation. [1H.35]

Response: CDFA disagrees with this comment. The Department determined it necessary to include the use of light deprivation as mixed-light cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests.

Comment: Regarding section 8000(t), the definition of mixed-light is unfair; the definition is too scientific. The Department should redefine mixed-light. [0042]

Response: CDFA rejects this comment. The Department determined this definition can be reasonably understood by persons commercially cultivating cannabis and by individuals that have a basic understanding of cannabis biology. CDFA considered cannabis industry perspectives and data in determining the definition of mixed-light cultivation as described in its Initial Statement of Reasons.

Comment: Regarding section 8000(t), keep the mixed-light definition as is. [0076]

Response: The Department has noted this comment and intends to keep the mixed-light cultivation definition as currently proposed.

Comment: Regarding section 8000(t), do not agree with the definition of mixed-light. Mixed-light cultivation is when artificial light is used to increase or enhance flower production in a “permitted greenhouse.” Only permitted greenhouses can have electrical by law. [0135]

Response: CDFA disagrees with the comment. The Department does not permit greenhouses or electrical wiring in greenhouse structures. Artificial light can be used to increase yields and vegetative growth. The Department maintains this definition is reasonable as written.

Comment: Pulling a tarp over a hoop-house to reduce natural sunlight is not mixed-light. [0135]

Response: CDFA disagrees with this comment. The Department determined it necessary to include the use of light deprivation as mixed-light cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests.

Comment: Regarding section 8000(t), if a cultivator grows with light deprivation and zero artificial light, are they in between outdoor and tier 1 mixed-light? [0285]

Response: If a cultivator grows with light deprivation and zero artificial light, it would fall into the mixed-light tier I category. No clarification to the proposed regulations is necessary.

Comment: It is unclear why distinctions are being made between outdoor and mixed-light. [0432; 0466; 0474]

Response: The outdoor license type allows for a cultivator to grow using just the sun for light. The mixed-light license types allow for a cultivator to use light deprivation and artificial lighting techniques to achieve more than one harvest. No clarification to the proposed regulations is necessary.

Comment: Modify definition in section 8000(t) to exclude light deprivations as a criterion for mixed-light. [0432; 0466; 0474]

Response: CDFA disagrees with this comment. The Department determined that it is necessary to include the use of light deprivation as mixed-light cultivation, even if no artificial lights are used because light deprivation can be used to obtain multiple harvests in the same way artificial light and natural light can be used to obtain multiple harvests.

Comment: Regarding section 8000(t), it makes sense for a distinction to be drawn between the usage of supplemental lighting as a means of photoperiod manipulation and a full production artificial lighting environment. [0529]

Response: CDFA accepts and agrees with the comment. The Department determined that the two (2) tiers included in the definition of mixed-light cultivation reasonably accounted for the distinction between supplemental lighting as a means of photoperiod manipulation and the more intensive artificial lighting environments mentioned. No further distinction is necessary.

Comment: Regarding section 8000(t): Consistent with the definition of outdoor cultivation by Yolo County, “mixed light” should be defined as anything above 600 watts per 100 square feet. [0529]

Response: CDFA rejects this comment. The Department is statutorily restricted from allowing outdoor license types to utilize artificial lighting per Business and Professions Code section 26061. CDFA’s proposed regulations establishing two tiers of mixed-light cultivation, separated by a threshold of 6 watts or less per square foot for the first tier, is based on stakeholder feedback during outreach surveys and previous regulatory comments. The Department

previously considered this information and incorporated the 6 watts per square foot threshold as a divider for the two tiers of mixed-light cultivation to accommodate this cultivation method within statutory restraints. Further, Business and Professions Code section 26200, subdivision (a)(1) permits local jurisdictions to establish their own ordinances and resolutions, which may result in differing definitions.

Comment: Regarding section 8000(t), the definition of “mixed-light cultivation” can be improved. **[4H.51]**

Response: CDFA rejects this comment because the commenter has not provided sufficient information on how to improve the definition.

Comment: The language of section 8000, subdivision (t)(1) is confusing. **[0432; 0466; 0474]**

Response: CDFA disagrees with this comment. The Department prepared these regulations pursuant to the standard and clarity provided in Government Code section 11349 and the plain English requirements of Government Code sections 11342.580 and 11346.2, subdivision (a)(1). The regulations are written to be easily understood by the persons that will use them.

Comment: Remove subdivision (t)(1) of section 8000. **[0524; 0573]**

Response: CDFA disagrees with this comment. The Department determined it necessary to include the use of light deprivation as mixed-light cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests.

Comment: Regarding section 8000(u), revise the definition of “net weight” to read: “means the weight of harvested cannabis and cannabis products, exclusive of all materials, substances, or items not part of the commodity itself, including but not limited to containers, conveyances, bags, wrappers, packaging materials, labels, and individual piece coverings, and that meet the requirements of section 8406(b).” **[0481]**

Response: CDFA accepted this comment and amended the definition of section 8000, subdivision (u) accordingly.

Comment: In section 8000(u), the term “cannabis products” should be replaced with “nonmanufactured cannabis goods” to avoid confusion as follows: “‘Net Weight’ means the weight of the harvest cannabis and ~~cannabis products~~ nonmanufactured cannabis goods that meet the requirements in section 8406(b).” [0493]

Response: CDFA disagrees with the comment. Accommodating the comment would add confusion to the regulation because the proposed regulation refers to cannabis products and nonmanufactured cannabis product(s) and does not refer to nonmanufactured cannabis goods.

Comment: Regarding section 8000(v), amend the definition of “nonmanufactured cannabis product” to state: “‘Nonmanufactured cannabis product’ means flower, shake, leaf, pre-rolls, and kief that is obtained from accumulation in containers or sifted from loose, dry cannabis flower, or leaf with a mesh screen or sieve, or otherwise collected, whether manually or through a mechanized process.” [0259]

Response: CDFA disagrees with this comment. The current definition allows cultivators to do a minimal amount of processing and packaging under a cultivation license without requiring the cultivator to also get a manufacturing license from the California Department of Public Health. Based on input from scoping meetings the Department held across the State in 2016, this allowance will reduce the regulatory burden on the industry without impacting accurate tracking and testing of regulated products. The Department consulted with the California Department of Public Health to ensure that there is no conflict, and the proposed definition is reasonable for those products that are not manufactured.

Comment: Regarding section 8000(v), amend the definition of “nonmanufactured cannabis product” to state: “‘Nonmanufactured cannabis product’ means flower, shake, leaf, pre-rolls, and kief that is obtained from accumulation in containers or sifted from loose, dry cannabis

flower, or leaf with a mesh screen or sieve, or using other mechanical, non-solvent based methods." [0482]

Response: CDFA disagrees with this comment. The current definition in CDFA's proposed regulations allows cultivators to do a minimal amount of processing and packaging under a cultivation license without requiring the cultivator to also get a manufacturing license from the California Department of Public Health. Based on input from scoping meetings the Department held across the State in 2016, this allowance will reduce the regulatory burden on the industry without impacting accurate tracking and testing of regulated products. The Department consulted with the California Department of Public Health to ensure that there is no conflict, and the definition is reasonable for those products that are not manufactured.

Comment: Regarding section 8000(v) and the definition of "nonmanufactured cannabis product," amend to add ice water hash to the same process as kief. [0491]

Response: CDFA has decided not to accommodate this comment. Business and Professions Code section 26001, subdivision (ag) states that "'manufacture' means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product." The current definition in CDFA's regulations allows cultivators to do a minimal amount of processing and packaging under a cultivation license without requiring the cultivator to also get a manufacturing license from the California Department of Public Health. Addition of the suggested language would conflict with the definition of manufactured products and require a manufacturing license. The Department consulted with the California Department of Public Health to ensure that there is no conflict, and the definition is reasonable for those products that are not manufactured.

Comment: Regarding section 8000(v), the definition of "nonmanufactured cannabis product" will limit the methods of kief collection. [0529; 0599; 4H.41]

Response: CDFA has decided not to accommodate this comment. Business and Professions Code section 26001, subdivision (ag) states that "'manufacture' means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product." The current definition in

CDFA's regulations allows cultivators to do a minimal amount of processing and packaging under a cultivation license without requiring the cultivator to also get a manufacturing license from the California Department of Public Health. Accommodating the comment to allow all methods of kief collection would conflict with the statutory definition of manufactured products and require a manufacturing license. The Department consulted with the California Department of Public Health to ensure that there is no conflict, and the definition is reasonable for those products that are not manufactured.

Comment: Regarding section 8000(v), the word "product" should be deleted to prevent confusion with manufactured goods, as follows: "Nonmanufactured cannabis ~~product~~" means flower, shake, leaf ..." [0493]

Response: CDFA disagrees with the comment. Including the word "product" with the definition adds clarity to the definition and is necessary to indicate that the nonmanufactured cannabis is an actual "product."

Comment: Regarding section 8000(w), add the words "for sale to others" at the end of the definition of "nursery" to clarify that cultivators propagating cannabis for their own use are not required to get a nursery license. [0127; 0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0351; 0364; 0398; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0572; 0584; 0589; 0603]

Response: CDFA cannot accommodate this comment. Business and Professions Code section 26001, subdivision (aj) establishes the definition of "nursery." Accommodating the comment would require a legislative change and is not necessary because under the proposed regulations, cultivators propagating cannabis for their individually licensed premises are not required to get a nursery license. Additionally, section 8300(c) of the proposed regulations clarifies that a nursery license is only necessary if immature plants or seeds are propagated for distribution to another license. As such, a cultivator can propagate cannabis for their own use, without getting a nursery license, so long as they are not distributing the immature plants or seeds to another license.

Comment: Regarding section 8000(x) and the definition of “outdoor cultivation,” the term “outdoor” should apply only to those people who are growing full-term plants utilizing the normal day light cycle; unaltered. **[0076]**

Response: CDFA partially agrees with the comment. CDFA agrees that outdoor cultivation is cultivation using the natural sunlight cycle without artificial lighting or light deprivation. CDFA disagrees that outdoor cultivators must grow full-term plants. Cultivators are not required to wait until plants are full term to harvest cannabis.

Comment: Regarding section 8000(x), strongly oppose the “outdoor cultivation” definition. **[0006]**

Response: The Department cannot accommodate this comment because it does not provide any specificity regarding changes to the regulations.

Comment: Regarding section 8000(x), urge the Department to review the definition of “outdoor cultivation.” **[0006]**

Response: The Department cannot accommodate this comment because it does not provide any specificity regarding changes to the regulations.

Comment: Regarding section 8000(x) and “outdoor cultivation,” hoop-houses with black out plastic over outdoor beds that are manually opened and closed using only 100% natural sunlight outside should be defined as outdoor. **[0006; 0017]**

Response: CDFA disagrees with this comment. The Department determined it necessary to include the use of light deprivation as mixed-light cultivation and not outdoor cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests.

Comment: Regarding section 8000(x), suggest removing “light deprivation” from the “outdoor cultivation” definition. [0006; 0014; 0168; 0524; 0524; 0573; 0573; 1H.17]

Response: CDFA disagrees with this comment. The Department determined it necessary to include the use of light deprivation as mixed-light cultivation and not outdoor cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests.

Comment: Regarding section 8000(x), an outdoor grower using light deprivation in Northern California has a significantly different production situation than a low-watt, mixed-light grower in Southern California. Light deprivation growers are seasonal and far closer to normal outdoor growers in terms of production and should be treated fairly as such. [0508; 1H.18]

Response: CDFA has decided not to accommodate this comment. The Department determined it necessary to include the use of light deprivation as mixed-light cultivation and not outdoor cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests.

Comment: Citing section 8000(x), light deprivation does not utilize artificial lighting and therefore should not fall under the definition of mixed-light. [0091; 0324; 0375; 4H.20; 4H.49]

Response: CDFA disagrees with this comment. The Department determined it necessary to include the use of light deprivation as mixed-light cultivation and not outdoor cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests.

Comment: Regarding section 8000(x), the Department should allow light deprivation activities in outdoor cultivation. [0173; 0303; 0326; 0329; 0529; 0551; 0574; 0595; 4H.29; 4H.41; 4H.52]

Response: CDFA disagrees with this comment. The Department determined it necessary to include the use of light deprivation as mixed-light cultivation and not outdoor cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests.

Comment: Regarding section 8000(x) and “outdoor cultivation,” permit the use of blackout tarps in propagation areas, even if these propagation areas are in the canopy. [0173; 0303; 0303; 0326; 0329; 0551]

Response: CDFA disagrees with this comment. The Department determined it necessary to include the use of light deprivation as mixed-light cultivation and not outdoor cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests. Blackout tarps are not permitted in canopy areas for outdoor cultivation because they could be used for light deprivation. Cultivators using blackout tarps in canopy areas may apply for a mixed-light license type.

Comment: Regarding section 8000(x), allow seasonal farmers to use light deprivation to address their crop issues. [0173; 0303; 0326; 0329; 0551]

Response: CDFA disagrees with this comment. Cultivators may use light deprivation techniques if they have an approved mixed-light license.

Comment: Regarding section 8000(x), there needs to be a comprehensive definition of “outdoor cultivation” to avoid loopholes. [0327]

Response: CDFA disagrees with this comment that the definition of “outdoor cultivation” is not comprehensive. The comment does not identify the loopholes, so there is not enough specificity for the Department to further respond.

Comment: Regarding section 8000(x), modify the definition of “outdoor cultivation” to exclude light deprivations as a criterion for mixed-light. **[0432; 0466; 0474]**

Response: CDFA has decided not to accommodate this comment. The Department determined it necessary to include the use of light deprivation as mixed-light cultivation and not outdoor cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests.

Comment: Regarding section 8000(x), remove the term “without the use of light deprivation” from the definition of “outdoor cultivation.” **[0508]**

Response: CDFA has decided not to accommodate this comment. The Department determined it necessary to include the use of light deprivation as mixed-light cultivation and not outdoor cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light be used to obtain multiple harvests.

Comment: The regulations erroneously equate light deprivation with mixed-light cultivation. **[0524]**

Response: CDFA disagrees with this comment. The Department determined it necessary to include the use of light deprivation as mixed-light cultivation and not outdoor cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in the same way artificial light can be used to obtain multiple harvests.

Comment: Regarding section 8000(x), the prohibition on light deprivation and ultimately light deprivation tarps will force outdoor cultivators out of compliance with local “dark skies” regulations that require supplemental lighting to not escape the propagation area. **[0551]**

Response: CDFA disagrees with this comment. The Department determined it necessary to include the use of light deprivation as mixed-light cultivation and not outdoor cultivation, even if no artificial lights are used, because light deprivation can be used to obtain multiple harvests in

the same way artificial light can be used to obtain multiple harvests. Cultivators using light deprivation may get a mixed-light license and would not be out of compliance. Further, Business and Professions Code section 26200, subdivision (a)(1) permits local jurisdictions to establish their own ordinances and resolutions, which may result in differing definitions and requirements. The ordinance does not conflict with CDFA's proposed regulations.

Comment: Section 8000(z) is not practical or efficient for an individual farmer to develop infrastructure for multiple processing facilities on multiple contiguous parcels that contain a single operation with multiple cultivation sites. **[0091; 0280; 0375]**

Response: CDFA cannot accommodate this comment. The definition of "premises" is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute.

Comment: Section 8000(z) is not practical or efficient for an individual farmer to develop several propagation areas on multiple contiguous parcels that contain a single operation with multiple premises. **[0091; 0280; 0324; 0375]**

Response: CDFA cannot accommodate this comment. The definition of "premises" is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute.

Comment: Regarding section 8000(z), the definition of "premises" creates complications and expectations that are impractical in cost and logistics by requiring each premises/license to have separate propagation, storage, waste management, processing, and recordkeeping areas. **[0091; 0303]**

Response: CDFA cannot accommodate this comment. The definition of "premises" is defined in statute by Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute.

Comment: Section 8000(z) would impact many seasonal cultivators who may have a home office or an off-site location for administrative purposes. [0091; 0280; 0375]

Response: CDFA cannot accommodate this comment. The definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute.

Comment: Section 8000(z) would impact farmers that have multiple licenses but are a single operation; they often will not have separate financial documents located at multiple sites. [0091; 0280; 0375]

Response: CDFA cannot change the definition of “premises” which is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement the statute. However, records required to be maintained on the premises by a licensee may be kept electronically pursuant to proposed regulation section 8400, subdivision (b).

Comment: Regarding section 8000(z), allow same owner licenses that are contiguous to utilize a common space for propagation, processing, waste, and/or recordkeeping. [0091; 0280; 0298; 0312; 0315; 0318; 0325; 0341; 0351; 0364; 0375; 0391; 0416; 0426; 0427; 0464; 0471; 0477; 0479; 0506; 0530; 0542; 0548; 0550; 0551; 0559; 0572; 0584; 0589; 4H.28]

Response: CDFA cannot accommodate this comment. The definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute. Additionally, proposed regulation section 8106, subdivision (J) identifies shareable areas.

Comment: Regarding section 8000(z), allow licensed cultivators that have more than one property licensed to have shared facilities between the two licensed premises if they have maximum gross receipts of \$750,000 or less. [0127; 0296; 0312; 0315; 0318; 0325; 0341;

0351; 0364; 0398; 0407; 0426; 0427; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0550; 0572; 0584; 0589; 0603]

Response: CDFA cannot accommodate this comment. The definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute. Additionally, proposed regulation section 8106, subdivision (J) allows same-owner licenses of contiguous properties to share secured area(s).

Comment: Regarding section 8000(z), CDFA should create a shared license for operators similar to that of the California Department of Public Health’s Shared Facilities License. **[0127; 0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0351; 0364; 0398; 0426; 0427; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0572; 0584; 0589; 0603; 0604]**

Response: CDFA cannot accommodate this comment. The definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute.

Comment: Regarding section 8000(z), allow non-cultivation cannabis activities, such as manufacturing, that are licensed under a different cannabis business license to be co-located on the same premises as the cultivation license activities. **[0127; 0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0351; 0364; 0398; 0426; 0427; 0464; 0471; 0479; 0506; 0530; 0548; 0572; 0584; 0589; 0603]**

Response: CDFA cannot accommodate this comment. The definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute.

Comment: Citing section 8000(z) as problematic and the Bureau of Cannabis Control’s Distributor-Transport Licenses as overly burdensome for small operations, authority should be transferred to CDFA to issue distributor-transport only licenses and allow shared premises with

cultivation license record storage. [0127; 0312; 0315; 0318; 0325; 0326; 0329; 0341; 0351; 0364; 0464; 0471; 0479; 0530; 0542; 0548; 0572; 0584; 0589; 0603]

Response: CDFA cannot accommodate this comment. The definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). Additionally, Business and Professions Code section 26070 provides for distribution licenses to be issued by the Bureau of Cannabis Control. The Department regulations merely implement statute.

Comment: Citing section 8000(z), remove the insurance requirement and allow an exception to the prohibition on sharing premises of the distributor-transport only license records and licensee's other record storage area for another on-site license. [0127; 0312; 0315; 0318; 0325; 0326; 0329; 0341; 0351; 0364; 0464; 0471; 0479; 0542; 0572; 0584; 0589]

Response: CDFA cannot accommodate this comment as it pertains to a matter not within the Department’s jurisdiction. The insurance requirement is a regulatory requirement by the Bureau of Cannabis Control for Distribution licenses and is not relevant to this regulatory package. Additionally, the definition of “premises” is defined by Legislature in Business and Professions Code section 26001, subdivision (ap) and a statutory change would be required to alter it.

Comment: Regarding section 8000(z), “contiguous” within the definition of “premises” is confusing because it can have multiple meanings. [0136]

Response: CDFA cannot accommodate this comment because the definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute.

Comment: Regarding section 8000(z), only one licensee may occupy a defined premise. This has created complications in making licenses attainable for potential license applicants when recognizing the circumstances. [0156]

Response: CDFA cannot accommodate this comment because the definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute.

Comment: Looking for clarity to section 8000(z): Financial, administrative, and recordkeeping activities are “not a licensed privilege and therefore an admin/financial/recordkeeping area can be included in examples of ‘common areas’ and could be occupied by more than one licensee.” It is inefficient to be required to have multiple departments performing the same duties. **[0156]**

Response: CDFA cannot accommodate this comment because the definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). In addition, Business and Professions Code section 26160, subdivision (d) requires licensees to keep records on their licensed premises. The Department regulations merely implement statute.

Comment: To the definition of “premises” in section 8000(z) add: “For cultivation licenses, the premises is the entire parcel.” **[0310; 0311; 0328; 0398; 0506; 0604; 4H.6]**

Response: CDFA has decided not to accommodate this comment. This definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute.

Comment: Regarding section 8000(z), the use of the term “premises” is confusing throughout the document and needs to be made consistent. **[0310; 0311; 0398; 0421; 0450; 0506]**

Response: CDFA disagrees with this comment. This definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute.

Comment: Regarding section 8000(z) and “premises,” for a cultivation license, is the premises the entire parcel, as there is one licensee to cultivate on any given parcel? **[0310; 0311; 0398; 0506]**

Response: The definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute. The Department notes that a premises does not need to be the entire parcel, a premises may be on a piece of a parcel or occupy multiple parcels. Multiple licensees and multiple premises may occupy a single parcel.

Comment: Regarding section 8000(z) and “premises,” are utility structures used in the activities of cultivation different premises or simply shown on the application maps as per function, not separate premises? **[0310; 0311; 0506]**

Response: The definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute. If a structure is used for the cultivation of cannabis or for activities associated with cultivation, they should be identified on the license premises diagram pursuant to section 8106. Structures not associated with cannabis may be identified on property diagrams pursuant to section 8105.

Comment: Regarding section 8000(z), the definition of “premises” is unreasonable and not site-specific. **[0450]**

Response: CDFA disagrees with this comment. This definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute.

Comment: In the regulations it is unclear what the State considers a sufficient separation of two licensed premises. **[0495]**

Response: The definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute.

Comment: Regarding section 8000(z), it is unclear whether the State requires each licensed premises to have a unique entrance and exit and be separated from another licensed premises by an immovable physical barrier. **[0495]**

Response: CDFA disagrees with this comment. The definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute.

Comment: Regarding section 8000(z), it is unclear whether two licensees can operate a building with two stories if each story has a separate and distinct entrance and exit. **[0495]**

Response: CDFA disagrees with this comment. The definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute.

Comment: Regarding section 8000(z), the definition of premises should include common space areas. The regulations need to expressly state that multiple licensed premises can share common areas, such as breakrooms, bathrooms, loading docks, and other spaces to reduce overhead. **[0495; 4H.22]**

Response: CDFA cannot accommodate this comment since the definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute. However, section 8106, subdivision (K) allows for common areas to be shared by multiple licensees.

Comment: The regulations need to allow multiple licensees to operate at the same address and in the same building as long as there is a separate and distinct space in the building designated for each licensed activity. **[0495]**

Response: CDFA disagrees with the commenter's interpretation of the regulation. The proposed regulation does not prohibit multiple premises from occupying the same address or building if each premises is separate and distinct.

Comment: Regarding section 8000(z) and the use of "premises," many rural farms have homes in between the location of canopy areas, processing areas, dry sheds, etc. Homes are not allowed to be part of the premises. As a result, many applicants must have premises broken into two or more areas on a property. Small farmers have to build drying and processing facilities on every farm. This is expensive and creates unnecessary environmental impacts compared to shared facilities. As a solution, CDFA should allow non-contiguous premises on the same property and on property that is adjacent/contiguous and for which there is a legal right to occupy by the same licensee. **[0296; 0298; 0312; 0315; 0318; 0325; 0341; 0351; 0364; 0471; 0479; 0506; 0530; 0542; 0548; 0589; 0603; 0604]**

Response: CDFA disagrees with the comment. The proposed regulation does not prohibit homes on premises. Cultivators can exclude homes from their premises if desired. The definition of "premises" is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute.

Comment: Regarding section 8000(z), it is inefficient that multiple cultivation styles require separate licenses, which currently may not share drying, immature plant, processing, harvest storage areas, etc. **[0572]**

Response: CDFA disagrees with this comment. The definition of "premises" is defined by statute in Business and Professions Code section 26001, subdivision (ap). The Department regulations merely implement statute.

Comment: It appears that a licensee may not host an equity applicant or licensee on its premises even when allowed by a local jurisdiction due to the constraints on co-locating or sharing premises. **[0596; 4H.8]**

Response: The Department cannot accommodate this comment because it does not provide any specificity regarding changes to the regulations.

Comment: Regarding section 8000(z), change the definition of premises to possibly include a self-distribution transport premises within a cultivation premises. **[4H.22]**

Response: CDFA cannot accommodate this comment because the definition of “premises” is defined by statute in Business and Professions Code section 26001, subdivision (ap). Additionally, Business and Professions Code section 26070 provides for distribution licenses to be issued by the Bureau of Cannabis Control. The Department regulations merely implement statute.

Comment: Regarding section 8000(z), the term “structure” is not defined in MAUCRSA or the Department regulations. Using the International Building Code definition, an assertion could be made that multi-tenant indoor cannabis activity would be allowed so long as it is built or constructed for separate and distinct occupancy. However, this is not explicitly stated in the regulations. **[0495]**

Response: CDFA has decided not to accommodate this comment. The term “structure” is a commonly used term and does not need to be clarified in statute or the Department’s proposed regulations. Multi-tenant indoor cannabis activity is allowed if each individual premises complies with regulation.

Comment: Amend the definition in subdivision (aa) to remove the unnecessary restriction that cannabis must be rolled in paper. Paper alternatives, such as cannabis leaves or organically grown mint leaves, continue to increase in popularity. **[0177]**

Response: CDFA disagrees with this comment. The Department has only enough information to allow pre-rolls to be rolled in paper at this time.

Comment: Regarding the definition of pre-roll in section 8000(aa), suggest employing a modified version of the federal definition of cigarette (15 U.S.C. Section 1332): The term “cigarette” means (A) any roll of tobacco wrapped in paper or any substance not containing tobacco, and (B) any roll of tobacco wrapped in any substance containing tobacco which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette described in subparagraph (A). [0177]

Response: CDFA rejects this comment. The Department does not believe the comment is necessary to the definition of pre-roll. For the purposes of these regulations, a pre-roll is considered a non-manufactured cannabis product and subject to CDFA licensing requirements. At this time CDFA does not have adequate information to appropriately allow pre-rolls to be rolled in platforms other than paper for potential health and safety concerns. Further, the activity of rolling cannabis in non-paper platforms is not prohibited and could occur under a manufacturing license type issued by the Department of Public Health.

Comment: Need a comprehensive definition of pre-rolls in subdivision (aa) to avoid loopholes. [0327]

Response: CDFA has decided not to accommodate this comment. The comment does not identify what loopholes need to be addressed and as such has not provided enough specificity for the Department to respond.

Comment: Remove “rolling” from the definition of “process,” “processing,” and “processes” in subdivision (ab). [0176]

Response: CDFA disagrees with this comment. The Department determined that “rolling” is a common activity and is necessary for the definition of “process,” “processing” and “processes.”

Comment: Amend subdivision (ab) to read, "...means all activities associated with harvesting, drying, curing, grading, sanitizing, trimming, rolling, storing, packaging, and labeling of nonmanufactured cannabis products." [0524; 0573]

Response: CDFA disagrees with this comment. The Department determined that the current language of "drying, curing, grading, trimming" sufficiently and specifically captures cannabis processing activities. Additional suggested language of "sanitizing" is outside the Department's jurisdiction and would be within the scope of cannabis activities licensed by other state agencies.

Comment: The definition of processor in subdivision (ab) for the purposes of a license does not mirror the definition of "processing" for purposes of activity. These should be identical. [0547]

Response: CDFA disagrees with this comment. The current definition of processing clarifies what activities may occur on a licensed processor's premises. The "processor" license is added as a new license type in proposed regulation section 8303. The definition was developed as a result of feedback provided at stakeholder meetings and is necessary to distinguish between traditional cultivation activities and those used solely for the preparation of cannabis for manufacturing or as a finished product.

Comment: Regarding section 8000(ab), the act of processing does not involve manufacturing but would include packaging and rolling. The Department should support the ability of distributors to "process" cannabis. [0547]

Response: CDFA disagrees with this comment. The Department lacks jurisdiction over distributors. Business and Professions Code section 26012, subdivision (a) vests authority to regulate distributors and their activities in the Bureau of Cannabis Control.

Comment: Section 8000 should define "cannabis leaves" and clarify the requirements for their disposal. Cannabis leaves are distinct from trim and should be defined as the large leaves on

the cannabis plant (i.e., “fan leaves”) located below the flowering colas which do not include a usable quantity of resin. Because cannabis leaf cannot be used for any practical commercial purpose, the regulations should clarify that it is not subject to the track-and-trace provisions of section 8402 and the waste disposal provisions of section 8308. **[0574]**

Response: CDFA cannot accommodate this comment. Business and Professions Code section 26001, subdivision (f) defines “cannabis” as meaning all parts of the plant, which includes the leaves. Accommodating the comment would require a statutory change and the Department does not agree that cannabis leaf cannot be used for any practical commercial purpose, for example, leaves may be used for cannabis juicing or other purposes.

Comment: To section 8000 add: “‘Commercially clean’ shall mean that pests are under effective control, are present only to a light degree, and that only a few of the plants in any lot or block of cannabis plants or on the premises show any infestation or infection and, of these, none show more than a few individuals of any insect, animal, or weed pests or more than a few individual infestations of any plant disease.” **[0481]**

Response: CDFA has decided not to accommodate this comment. The Department does not use the term “commercially clean” in the proposed regulations so it is not necessary for it to be defined.

Comment: Add a definition for “packaging.” **[0176]**

Response: CDFA disagrees with this comment. Business and Professions Code section 26001, subdivision (am) defines “package” and there is no need to duplicate this definition in CDFA’s proposed regulations.

ARTICLE 2. APPLICATIONS.

Section 8100. Temporary Licenses.

Comment: Section 8100 could use refinement. Requirements for Temporary Licenses do not account for Water Board and CDFW delays and do not streamline A and M issue as intended with A and M being able to do business with one another. **[0296]**

Response: CDFA disagrees with this comment. California Department of Fish and Wildlife documentation is not required for a temporary license and is therefore irrelevant to this section. With respect to State Water Resource Control Board delays, this is addressed in other comments and responses. Finally, A and M licensees can conduct business with each other per proposed regulation section 8214. Lastly, the comment does not provide enough specificity for the Department to take any action on the regulations.

Comment: Regarding section 8100(b)(1), automatically designate all licenses A and M unless the applicant wishes to only be classified as one or the other or notifies CDFA. Given that all licensees (A and M) may do business with one another and given that cultivators do not have to label their product A or M (only certain manufactured products must label before the retail point), it seems unnecessary to have folks have to specify. The default should be both designations unless one requests otherwise. **[0136; 0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0351; 0364; 0389; 0398; 0421; 0450; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0556; 0572; 0584; 0589; 4H.7]**

Response: CDFA has decided not to accommodate this comment. Business and Professions Code section 26050, subdivision (b) requires all licenses bear a clear designation indicating whether the license is for commercial adult-use cannabis activity as distinct from commercial medicinal cannabis activity by prominently affixing an “A” or “M,” respectively. The Department regulations merely implement statute.

Comment: Regarding section 8100(b)(1), allow all CDFA license applicants to apply for both A and M designation under one license application (as BCC has done). **[0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0351; 0364; 0398; 0464; 0471; 0479; 0530; 0542; 0548; 0572; 0584; 0589]**

Response: CDFA has decided not to accommodate this comment. Business and Professions Code section 26050(b) requires all licenses bear a clear designation indicating whether the license is for commercial adult-use cannabis activity as distinct from commercial medicinal cannabis activity by prominently affixing an “A” or “M,” respectively. The Department regulations merely implement statute.

Comment: Reword section 8100(b)(4)(B) to make clear that a designated responsible party can, but does not have to be, an agent for service of process. [0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0351; 0364; 0398; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0572; 0584; 0589]

Response: CDFA has decided not to accommodate this comment. As temporary applications do not require the disclosure of all owners and financial interests related to the licenses, this subdivision ensures that the Department will have the ability to serve the applicant entity.

Comment: The language in section 8100(b)(6) may seem innocuous on its face, but it is actually prejudicial against any cannabis businesses that are physically located on federally recognized reservations, either owned by the tribes themselves, or by non-tribal entities who are in a landlord tenant relationship with the tribe. The reason for this is that “local jurisdiction” is defined in Business and Professions Code section 26001(ac). The problem this definition presents is that federally recognized reservations are not within the jurisdiction of the state governments in which they are located. [0174]

Response: CDFA rejects this comment. The license application requirement and the definition of local jurisdiction as referenced in the comment are defined in Business and Professions Code sections 26050.1 and 26001, subdivision (ac), respectively. The Department is merely implementing statute.

Comment: Suggest adding to section 8100(b)(6): “If the location requested for the temporary license is within a federally recognized Indian Reservation, then the State will recognize Tribal approval for a licensee to engage in commercial cannabis activities on land within the Tribe's

jurisdiction, in lieu of requiring that such local approval be provided by a local jurisdiction.”

[0174]

Response: CDFA rejects this comment. The Department does not have the authority to alter statutory license requirements, including those found in Business and Professions Code section 26050.1. The Department is merely implementing statute.

Comment: Regarding section 8100(b)(6), it is unclear what types of documentation will qualify under this provision. Further, some plausible interpretations of this definition would impermissibly deviate from the plain meaning of the underlying statute. “License, permit, or other authorization” clearly connotes an official document duly issued by the local jurisdiction through appropriate process – not some nebulous “statement” or “reference to the jurisdiction’s “intent.” **[0405]**

Response: CDFA disagrees with this comment. Local documentation approvals vary amongst local jurisdictions and change in accordance with ordinance development. The Department does not believe it is reasonable to further clarify acceptable documentation due to the diverse documentation received from local jurisdictions. Furthermore, the Department verifies the validity of submitted documents with local jurisdictions directly.

Comment: Regarding section 8100(b)(6), the regulations should additionally reference the process, set forth in statute, applicable when the applicant does not submit such local documentation cited in section 8100(b)(6). Consistent with Business and Professions Code section 26055(g)(2)(B), the regulations should clarify that in the event a local jurisdiction notifies the department that an applicant is not in compliance with a local ordinance or regulation, the application “shall” be denied, and such local determination will not be second-guessed or countermanded by the department. **[0405]**

Response: CDFA rejects this comment. The statutory process mentioned by the commenter does not apply to temporary license applications. With respect to annual license applications, the process is already clarified in statute in Business and Professions Code section 26055,

subdivision (g)(2)(B), as stated in the comment. The inclusion of this provision in the regulations would be redundant and is not necessary to implement the proposed regulations.

Comment: Section 8100(b)(7)-(9) increases the requirement for a temporary license and is not designed to encourage participation in the legal market. Although it does protect the environment, it is unclear why CalCannabis is adding this requirement to the temporary license process. [0535]

Response: CDFA disagrees with this comment. The additional requirements, including the cultivation plan, identification of water sources, and evidence of enrollment with an applicable water quality protection program, have been added to mitigate the increased risk of environmental degradation. The additional required documentation is based upon environmental protections recommended in the Department's *Literature Review on the Impacts of Cannabis Cultivation* and is deemed necessary by the Department and other consulting state agencies to mitigate potential environmental risks to instream flow, water quality, and fish and wildlife.

Comment: Regarding section 8100(b)(9), because the Water Board is months behind in processing registrations, allow proof of registration and payment fees to the Water Board in order to process application and issue a conditional license. [0127; 0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0351; 0364; 0398; 0464; 0471; 0479; 0506; 0530; 0548; 0572; 0584; 0589]

Response: CDFA rejects this comment. This provision was added to mitigate the increased potential risk of environmental degradation and was developed in concert with the State Water Resources Control Board. Both agencies determined this provision necessary to protect the environment and ensure that water rights coverage is obtained prior to issuance of a state cultivation license, if applicable. It is unreasonable for the Department to accept fee payment receipts as evidence of adequate environmental protections, including water rights coverage.

Comment: Regarding section 8100(c), the regulations propose to require that local jurisdictions “respond” within 10 days of a licensing authority's request to verify whether a license, permit, or other authorization provided by an applicant is valid. The regulations should clarify the type of response local jurisdictions are required to provide. [0405]

Response: CDFA rejects this comment as unreasonable. The local verification process is governed under Business and Professions Code section 26055 and allows various responses from local jurisdictions. Specifying the type of responses would be overly burdensome for the many local jurisdictions involved in regulation of cannabis businesses and for the Department and is not feasible for the Department to implement.

Comment: Regarding section 8100(h), support the State not honoring any temporary licenses after December 31, 2018. [0146; 0505]

Response: The Department has noted this comment. The regulations clarify that no temporary license will be issued or extended after December 31, 2018.

Comment: Regarding section 8100(h), many local jurisdictions are not ready to issue annual licenses. The increased application requirements for annual licenses at the state and local level also argue for a longer period of preparation than the four months remaining until the end of December. It may not be feasible to extend a statutorily imposed deadline via a regulation. Recommend that on December 30, renew all existing temporary licenses for those requiring them, for the maximum amount of time under the law, or until the applicant obtains annual licensure, whichever comes first. [0259]

Response: CDFA cannot accommodate this comment. Extensions of temporary licenses are governed by statute under Business and Professions Code section 26050.1, which requires the submission of a complete application for an annual license in order for a temporary license to be eligible for an extension. After December 31, 2018, the Department will not issue any new temporary licenses or extensions. The regulations clarify that temporary licenses that have an expiration date after December 31, 2018 will be valid until the expiration date but shall

not be granted an extension after December 31, 2018. This is to further clarify the statutory requirements for temporary licensing conditions set forth in Business and Professions Code section 26050.1, which is no longer effective after December 31, 2018, but does not require that temporary licenses expire on that date.

Comment: Regarding section 8100(h), extend temporary licenses after December 31, 2018. Many Trinity County farmers will not have California Department of Fish and Wildlife approval before their temporary licenses expire. **[0440; 0508; 0529; 0535; 0559]**

Response: CDFA cannot to accommodate this comment. Extensions of temporary licenses are governed by statute under Business and Professions Code section 26050.1, which requires the submission of a complete application for an annual license in order for a temporary license to be eligible for an extension. After December 31, 2018, the Department will not issue any new temporary licenses or extensions. The regulations clarify that temporary licenses that have an expiration date after December 31, 2018 will be valid until the expiration date but shall not be granted an extension after December 31, 2018. This is to further clarify the legislative requirements for temporary licensing conditions set forth in Business and Professions Code section 26050.1, which is no longer effective after December 31, 2018, but does not require that temporary licenses expire on that date. Lastly, California Department of Fish and Wildlife documentation is not required for a temporary license and is therefore irrelevant to this section.

Comment: Regarding section 8100(h), the City of San Francisco and local industry benefitted greatly from the State's temporary license program. Without access to State temporary licenses, many of these operators would have struggled to move their operations into the licensed supply chain within a timeframe that would allow them to financially survive the challenging transition to the regulated market. However, ensuring the same successful transition of operators with temporary licenses should be a shared responsibility. Understanding that the timeframes associated with state issuance of and extensions to temporary licenses is an issue that must be addressed by legislation, San Francisco supports

a legislative fix and encourages the Governor's Office and the Legislature to address this as soon as possible and no later than March 31, 2019. [0359]

Response: CDFA has noted this comment, but the comment does not provide any suggestion for changing the proposed regulations.

Comment: Regarding section 8100, it is questionable whether many additional licensees will receive local authorization prior to the end of 2018. We implore the state to explore options to either: (1) seek a legislative extension of the temporary licensing program, or (2) consider an alternative interim program to allow qualified applications with local authorization to enter the commercial cannabis market expediently, providing critical support to the supply chain while giving the licensing agencies adequate time to thoroughly vet and review applications. [0177]

Response: CDFA disagrees with this comment. Legislative amendments were made that allow an applicant who holds or has held a temporary license and who submits a complete application, including evidence that compliance with CEQA is underway, to receive a provisional license where qualified. If an applicant provides the Department with a valid local license for commercial cannabis cultivation, this will allow the Department to communicate and confirm with the applicant's local jurisdiction that they do have the right to commercially cultivate, within a ten (10) day timeframe. To the extent that the comment is suggesting the Department accept local authorization after December 31, 2018, that requirement is established by Business and Professions Code section 26050.1. The Department cannot change this requirement through regulations.

Comment: Are temporary applications and licenses exempt from fees? [0556]

Response: Yes, temporary applications and temporary licenses are exempt from fees.

Section 8101. Annual License Application Fees.

Comment: Regarding section 8101(k) and (l), Mixed Light Application fees for Tier 2 are substantially higher than Tier 1 but the application materials are identical. As a solution, reduce

the Tier 2 application fee. There seems to be no difference in the requirements or application so there seems to be no justification for the higher fee. [0127; 0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0351; 0364; 0398; 0411; 0421; 0450; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0572; 0584; 0589]

Response: CDFA has decided not to accommodate this comment. The Department used cannabis market assumptions from its Standardized Regulatory Impact Assessment to determine the application fee for each type of license necessary to cover the costs of the Program. Application fees for cultivator license types were calculated based on the total estimated production of cannabis in the market. The cost of application fees for cultivation license types is equal to the share of Program budget allocated to cultivation applications fees divided by the estimated total market quantity.

Comment: Regarding section 8101(q) and section 8200(q), smaller nurseries should not have to pay such a high license fee. A solution would be to create a cottage nursery license at 5,000 square feet maximum. This would allow those traditional seed breeders to come into the regulated market. Most seed breeders operate in small areas and the fees for a full nursery license are out of reach. [0127; 0296; 0298; 0312; 0315; 0318; 0325; 0341; 0351; 0364; 0411; 0421; 0450; 0464; 0471; 0479; 0530; 0542; 0548; 0572; 0584; 0589]

Response: CDFA has decided not to accommodate this comment. The Department used cannabis market assumptions from its Standardized Regulatory Impact Assessment to determine the application fee for each type of license necessary to cover the costs of the Program. Application fees for cultivator license types were calculated based on the total estimated production of cannabis in the market. The cost of application fees is equal to the share of Program budget allocated to cultivation application fees divided by the estimated total market quantity. The Department does not have enough information to create an additional license type at this time.

Comment: Regarding section 8101(r), recommend the addition of a license tier for “self” processors. [0091; 0280; 0324; 0375; 0477]

Response: CDFA rejects this comment. Cultivation licensees are allowed to process their own product under the statutory definition of “cultivation.” Adding a license category that allows a licensee to process its own product would be redundant and unnecessary.

Comment: Regarding section 8101(r), create a license type that allows for shared processing, similar to shared kitchens, but differentiated from a full processing license. [0550]

Response: CDFA rejects this comment as unreasonable. Implementing this comment would be overly burdensome on the Department, would pose track-and-trace difficulties, and cause health and safety concerns.

Comment: Regarding section 8101(r), cottage level processors (for others) cannot afford high application fees and high annual fees. Those that don't self-process are faced with high processor license fees. Allow cottage level processor licenses. [0127; 0296; 0298; 0312; 0315; 0318; 0325; 0341; 0351; 0364; 0411; 0421; 0450; 0464; 0471; 0479; 0551; 0559; 0530; 0542; 0548; 0572; 0584; 0589]

Response: CDFA rejects this comment. At this time, the Department does not have enough information to further tier processor license types. To implement the comment, the Department would need data including, but not limited to, the number and size of processor licenses, costs of processing cannabis, and regional accessibility of cannabis processors. The Department would need this information to perform an economic analysis. The Department may consider tiering processor licenses over time as data becomes available and economic analyses are completed.

Comment: Regarding section 8101(r) and section 8200(r), small cultivators who self-process cannabis grown at more than one licensed premise must pay expensive application and license fees as a full processor even if they are not processing cannabis grown by others. If the prior suggestion to allow processing of cannabis grown at multiple locations by the same small operator under the cultivation license is not instituted, then suggest the creation of a

streamlined category of Processor for self-processing of product grown at different locations by the same licensee if that licensee has less than 22,000 square feet of canopy across all licensed premises for which the self-processor license is applied for. **[0127; 0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0351; 0364; 0398; 0411; 0421; 0450; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0572; 0584; 0589]**

Response: CDFA disagrees with this comment. At this time, the Department does not have enough information to further tier processor license types. To implement the comment, the Department would need data including, but not limited to, the number and size of processor licenses, costs of processing cannabis, and regional accessibility of cannabis processors. The Department would need this information to perform an economic analysis. The Department may consider tiering processor licenses over time as data becomes available and economic analyses are completed.

Comment: Regarding section 8101(r) and section 8200(r), cottage level processors (for others) cannot afford high fees. Those that don't self-process are faced with high Processor License Fees. As a solution, CDFA should allow Cottage Level Processor Licenses. **[0127; 0296; 0298; 0312; 0315; 0318; 0325; 0341; 0351; 0364; 0411; 0421; 0450; 0464; 0471; 0479; 0530; 0542; 0548; 0572; 0584; 0589]**

Response: CDFA decided not to accommodate this comment. At this time, the Department does not have enough information to further tier processor license types. To implement the comment, the Department would need data including, but not limited to, the number and size of processor licenses, costs of processing cannabis, and regional accessibility of cannabis processors. The Department would need this information to perform an economic analysis. The Department may consider tiering processor licenses over time as data becomes available and economic analyses are completed.

Comment: Regarding section 8101, instead of making application fees nonrefundable, CDFA should apply the fee to a new application if small modifications are made. **[0409; 1H.20; 1H.21]**

Response: CDFA rejects this comment. Application processing is a complex process. The Department must maintain a high level of review to ensure application requirements are adequate. The Department has a deficiency process in place which allows applicants with incomplete applications the opportunity to make corrections per section 8112 of these proposed regulations. It would be overly burdensome and costly for the Department to allow refundable application fees. Nonrefundable application fees are necessary and reasonable for the Department to carry out its activities as prescribed by law.

Comment: Citing section 8101, adjust the fee tier for farmers who use no artificial light and have only one harvest a year. The proposed regulations charge higher mixed-light fees to farmers who utilize light deprivation but no artificial light and harvest only once a year. **[0259]**

Response: CDFA decided not to accommodate this comment. The Department used cannabis market assumptions from its Standardized Regulatory Impact Assessment to determine the application fee for each type of license necessary to cover the costs of the Program. Applications fees for cultivator license types were calculated based on the total estimated production of cannabis in the market. The cost of applications for cultivation license types is equal to the share of Program budget allocated to cultivation applications fees divided by the estimated total market quantity.

Section 8102. Annual License Application Requirements.

Comment: Regarding section 8102(b), the City of Long Beach is concerned that the State's proposed regulations will allow businesses to apply for medical-only licenses and participate in the adult-use market without being subject to additional local regulations placed on adult-use licensees. **[0179]**

Response: CDFA disagrees with this comment. Proposed regulation section 8102, subdivision (b) is necessary because some local jurisdictions have ordinances that allow only medicinal cannabis activity and licensees will need to clearly identify themselves as M-licensees, as opposed to A-licensees. Designation as either an A-license or an M-license

permits cultivators to become licensed by the Department and engage in the statewide regulated cannabis market while maintaining compliance in accordance local ordinances. Per Business and Professions Code section 26200, subdivision (a)(1), local jurisdictions may establish their own ordinances and resolutions, which may result in differing definitions. Licensees are required to comply with all federal, state, and local laws to the extent that they are applicable.

Comment: Regarding section 8102(b), there should not be a distinction required for A or M cultivation licenses. **[0471; 0506]**

Response: CDFA disagrees with this comment. Business and Professions Code section 26050(b) requires all licenses to bear a clear designation indicating whether the license is for commercial adult-use cannabis activity as distinct from commercial medicinal cannabis activity by prominently affixing an “A” or “M,” respectively. The Department regulations merely implement statute.

Comment: In section 8102(c), remove the word “entity” after “the applicant” and before “holds” since some applicants are not entities. This subdivision accidentally restricts the “applicant” to an entity applicant. **[0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0351; 0364; 0398; 0454; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0572; 0584; 0589]**

Response: CDFA disagrees with this comment. Applicant entity is defined in proposed regulation section 8000, subdivision (c) as “the entity or sole proprietor applying for a state cannabis cultivation license.” As such, the proposed regulation section 8102, subdivision (c) allows the applicant to be a sole proprietor not just an entity. No further clarification to the regulations is necessary.

Comment: Regarding section 8102(f), the requirement that anyone who is running a cultivation site designate two hours per day, five days a week where somebody must be

present to receive an inspector is onerous. CDFA should just tell the applicant or cultivator in advance. **[1H.19]**

Response: CDFA disagrees with this comment. Proposed regulation section 8102, subdivision (f) requires that the applicant identify the hours in which the applicant entity will have staff on the licensed premises, with a minimum requirement of two hours of operation that are between 8:00am and 5:00pm, Monday through Friday. This is necessary to ensure that Department staff will have an opportunity to contact someone on premises for enforcement and compliance purposes.

Comment: Regarding section 8102(f), many small, medium, seasonal, and family run farmers are not always staffed Monday through Friday. **[0091; 0280; 0375]**

Response: CDFA has decided not to accommodate this comment. Proposed regulation section 8102, subdivision (f) requires that the applicant identify the hours in which the applicant entity will have staff on the licensed premises, with a minimum requirement of two hours of operation that are between 8:00am and 5:00pm, Monday through Friday. This is necessary to ensure that Department staff will have an opportunity to contact someone on premises for enforcement and compliance purposes.

Comment: Regarding section 8102(f), suggest for seasonal farmers and their supporting facilities (off-site processing, off-site propagation, etc.) to have a declaration of operational days/hours/months with site visits expected during these times or upon prior arrangement. **[0091; 0119; 0280; 0324; 0375; 0477]**

Response: CDFA has decided not to accommodate this comment. This subdivision requires that the applicant identify the hours in which the applicant entity will have staff on the licensed premises, with a minimum requirement of two hours of operation that are between 8:00am and 5:00pm, Monday through Friday. This is necessary to ensure that Department staff will have an opportunity to contact someone on premises for enforcement and compliance purposes. Additionally, section 8204, subdivision (a)(3) of the proposed regulations provides for

Department notification in the event the licensee temporarily closes its licensed site for more than 30 days.

Comment: Regarding section 8102(f), remove requirement to specify daily operational hours for cultivation sites and allow inspections during normal business hours (8-5), while providing reasonable notice of at least two hours. [0119; 0391; 0413; 0559; 0592]

Response: CDFA has decided not to accommodate this comment. This subdivision requires that the applicant identify the hours in which the applicant entity will have staff on the licensed premises, with a minimum requirement of two hours of operation that are between 8:00am and 5:00pm, Monday through Friday. This is necessary to ensure that Department staff will have an opportunity to contact someone on premises for enforcement and compliance purposes.

Comment: Regarding section 8102(f), if there are no employees or minimal employees then this requirement should be waived. [0136; 0328; 0398; 0506; 4H.30]

Response: CDFA has decided not to accommodate this comment. This subdivision requires that the applicant identify the hours in which the applicant entity will have staff on the licensed premises, with a minimum requirement of two hours of operation that are between 8:00am and 5:00pm, Monday through Friday. This is necessary to ensure that Department staff will have an opportunity to contact someone on premises for enforcement and compliance purposes.

Comment: Regarding section 8102(f), request 24-hour notice for inspection and remove the operational hours requirement. [0136; 0328; 0398; 0440; 0444; 0482; 0506; 0529]

Response: CDFA rejects this comment. The provision is reasonable and necessary to provide transparency and to ensure the Department has sufficient access when completing unannounced inspections in congruence with section 8501 of the proposed regulations. Removing the provision and incorporating a 24-hour notice request would inhibit the Department from accessing the site unannounced and would not be feasible for licensees who prefer to be contacted via mail.

Comment: Regarding section 8102(f), limit operational hours seasonally. [0136; 0328; 0398; 0440; 0444; 0506; 0529]

Response: CDFA rejects this comment. The provision is reasonable and necessary to provide transparency and to ensure the Department has sufficient access when completing unannounced inspections in congruence with section 8501 of the proposed regulations. Limiting operational access seasonally would inhibit the Department from accessing the site unannounced for enforcement and compliance purposes which may be independent of seasonal hours listed by an applicant. Additionally, section 8204, subdivision (a)(3) of the proposed regulations provides for Department notification in the event the licensee temporarily closes its licensed site for more than 30 days.

Comment: Regarding section 8102(f), tier specified operational hours based on the size of the operation. [0136; 0328; 0398; 0506]

Response: CDFA rejects this comment. The provision is reasonable and necessary to provide transparency and to ensure the Department has sufficient access when completing unannounced inspections in congruence with section 8501 of the proposed regulations. The hour availability requirement is not related to license size and as such, is not a Department consideration when making unannounced visits.

Comment: Regarding section 8102(f), businesses should also be able to be closed for vacation days and holidays. [0136; 0506]

Response: CDFA rejects this comment. The provision is reasonable and necessary to provide transparency and to ensure the Department has sufficient access when completing unannounced inspections in congruence with section 8501 of the proposed regulations. The Department may need site access on holidays and throughout the year for enforcement and compliance purposes. Licensees must comply with all requirements throughout the year.

Comment: Regarding section 8102(f), applicants, who for one reason or another cannot or do not need to adhere to the staffing requirements, should be able to have this requirement waived, providing a valid reason. **[0259]**

Response: CDFA disagrees with this comment. This subdivision requires that the applicant identify the hours in which the applicant entity will have staff on the licensed premises, with a minimum requirement of two hours of operation that are between 8:00am and 5:00pm, Monday through Friday. This is necessary to ensure that Department staff will have an opportunity to contact someone on premises for enforcement and compliance purposes.

Comment: Regarding section 8102(f), modify to reflect a minimum of two-hour operation between 8:00am-5:00pm at least three times a week during the Monday-Friday business week during the growing season. **[0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0341; 0351; 0364; 0375; 0454; 0464; 0471; 0479; 0482; 0530; 0542; 0548; 0572; 0584; 0589]**

Response: CDFA has decided not to accommodate this comment. This subdivision requires that the applicant identify the hours in which the applicant entity will have staff on the licensed premises, with a minimum requirement of two hours of operation that are between 8:00am and 5:00pm, Monday through Friday. This is necessary to ensure that Department staff will have an opportunity to contact someone on premises for enforcement and compliance purposes.

Comment: Regarding section 8102(f), requiring licensees to be onsite at certain times each day of the week is inconsistent with the intent of MAUCRSA to promote cottage and specialty-scale businesses. **[0413; 0551]**

Response: CDFA rejects this comment. The provision is reasonable and necessary to provide transparency and to ensure the Department has sufficient access when completing unannounced inspections in congruence with section 8501 of the proposed regulations. The Department staff need consistent site access for enforcement and compliance purposes for all license types.

Comment: At the end of the last sentence of section 8102(f), add: "...any time that there is commercial cannabis on the premises." [0432; 0466; 0474]

Response: CDFA rejects this comment. The provision is reasonable and necessary to provide transparency and to ensure the Department has sufficient access when completing unannounced inspections in congruence with section 8501 of the proposed regulations. Accommodating this comment would interfere with enforcement and compliance needs by restricting site access for Department staff to time periods in which licensees claim to have cannabis onsite and would inhibit the Department's ability to complete effective investigations into possible fraud or other violations. The license is valid for a year regardless of whether or not cannabis is on the premises.

Comment: Remove subdivision 8102(f). Many seasonal outdoor farmers in Northern California will close their farm during the winter, when the climate does not support outdoor grows. Mandating that companies have an employee there two hours a day/5 days a week is burdensome and would require unnecessary costs. [0508; 4H.30; 4H.42]

Response: CDFA disagrees with this comment. Subdivision (f) requires that the applicant identify the hours in which the applicant entity will have staff on the licensed premises, with a minimum requirement of two hours of operation that are between 8:00am and 5:00pm, Monday through Friday. This is necessary to ensure that Department staff will have an opportunity to contact someone on premises for enforcement and compliance purposes. Additionally, section 8204, subdivision (a)(3) of the proposed regulations provides for Department notification in the event the licensee temporarily closes its licensed site for more than 30 days.

Comment: Section 8102(f) fails to consider and offer reasonable accommodations for the seasonal nature of outdoor cannabis cultivation. [0557]

Response: CDFA rejects this comment. The provision is reasonable and necessary to provide transparency and to ensure the Department has sufficient access when completing unannounced inspections. The Department staff need consistent site access for enforcement

and compliance purposes for all cultivation methods, including seasonal outdoor farms. Additionally, section 8204(a)(3) of the proposed regulations provides for Department notification in the event the licensee temporarily closes its licensed site for more than 30 days.

Comment: Section 8102(f) should be refined concerning the required hours of operation. [0572]

Response: CDFA rejects this comment. The provision is reasonable and necessary to provide transparency and to ensure the Department has sufficient access when completing unannounced inspections. The Department staff need consistent site access for enforcement and compliance purposes.

Comment: Regarding section 8102(f), the time limits for working are unrealistic. [4H.51]

Response: CDFA rejects this comment. The provision is reasonable and necessary to provide transparency and to ensure the Department has sufficient access when completing unannounced inspections. The Department staff need consistent site access for enforcement and compliance purposes. The Department believes 2 hours per standard business day is realistic for a licensee.

Comment: Eliminate the requirements of 8102(h). [0535]

Response: CDFA disagrees with this comment. Section 8102, subdivision (h) requires an applicant to identify an agent for service of process. This ensures that the Department will have the ability to serve legal documents on the licensee's registered agent when necessary.

Comment: Regarding section 8102(i)(13), why are two Live Scans required? [0556]

Response: CDFA disagrees with this comment. The Department's proposed regulations do not require two electronic fingerprint images (or Live Scans). Pursuant to Business and Professions Code section 26051.5, each owner of the applicant must submit to the California

Department of Justice fingerprint images and related information required by the Department of Justice. The Department regulations merely implement this statute.

Comment: Regarding section 8102(i)(14), require disclosure if the sanction occurs after January 1, 2018 when state licenses became available. Many jurisdictions did not recognize commercial cannabis business activity until recently. [0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0351; 0364; 0398; 0454; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0572; 0584; 0589]

Response: CDFA rejects this comment. This language is required for the Department to meet statutory provisions pursuant to Business and Professions Code section 26057. The Department is implementing the statutory provision as prescribed.

Comment: Regarding section 8102(i)(14), disclosures may have arisen out of a variety of situations which were later resolved by advances in local laws, court action, or other cures. An applicant who discloses past problems within a three-year window may simply be providing information allowing rejection of the application. This is particularly true of local social equity candidates. In the issue of fairness, the Department must examine any extenuating circumstances that bear on the event. As a solution, along with the disclosure of the violation or other action, amend the section to allow for an explanation of the historical or other events which affected the decision, but would not now be a consideration, because of changes in law or other developments. Respectfully request that CDFA exercise leniency on applicants who have received sanctions during the local permitting process so long as those sanctions have been cleared with the local municipality and have not impeded the cultivator's ability to receive the local authorization. [0259; 0482]

Response: CDFA disagrees with this comment. This subdivision requires owners to provide a description of any administrative order or civil judgment for violation of labor standards or commercial cannabis license disciplinary actions within the three years immediately preceding the date of the application. This is consistent with Business and Professions Code sections 26057 and 480, subdivision (a)(3)(A). Business and Professions Code section 26057,

subdivision (b)(7) permits denial of a license where the applicant has been sanctioned by a licensing authority or any city and/or county for unauthorized commercial cannabis activity or has had a license suspended or revoked in the three years immediately preceding application. Business and Professions Code section 480, subdivision (a)(3)(A) states that a licensee may be denied a license for any act that would give rise to a suspension, revocation, or other disciplinary action. This section is necessary to identify incidents that may prevent the applicant from receiving a license. The owner or applicant may supply additional documentation to the Department to explain the violation. The Department will determine if the violation warrants denial of the application.

Comment: Regarding section 8102(i)(14), strongly support this addition to the proposed regulations and thank the Department for recognizing the importance of ensuring the protection of all Californians. **[0322]**

Response: The Department has noted this comment. No further response is required.

Comment: Regarding section 8102(i)(14), delete the requirement for a description of labor standard violations. Historic judgments about labor standard violations are not relevant to the ability of an applicant to be a responsible licensee, especially if the violations were either cured or otherwise satisfactorily concluded. Statute may provide broad authority to the Department to request unspecified information, that authority does not give the Department carte blanche to cherry pick additional information for which there is no apparent germaneness to the license being sought. **[0414; 0449]**

Response: CDFA disagrees with this comment. This subdivision requires owners to provide a description of any administrative order or civil judgment for violation of labor standards or commercial cannabis license disciplinary actions within the three years immediately preceding the date of the application. This is consistent with Business and Professions Code sections 26057, subdivision(b)(7) and 480(a)(3)(A). Business and Professions Code section 26057, subdivision (b)(7) permits denial of a license where the applicant has been sanctioned by a licensing authority or any city and/or county for unauthorized commercial cannabis activity or

has had a license suspended or revoked in the three years immediately preceding application. Business and Professions Code section 480, subdivision (a)(3)(A) states that a licensee may be denied a license for any act that would give rise to a suspension, revocation, or other disciplinary action. This section is necessary to identify incidents that may prevent the applicant from receiving a license.

Comment: Regarding section 8102(i)(14), remove, "...or a business entity in which the applicant was an owner or officer within three years" [0508]

Response: CDFA rejects this comment. The language the comment is proposing to strike is necessary to ensure that applicants are qualified for licensure as described in Business and Professions Code section 26057.

Comment: Regarding section 8102(i)(14), heartened that the agencies propose language to require applicants and licensees to disclose annually administrative orders or civil judgements for violation of labor standards. [0035]

Response: The Department has noted this comment. No response is required.

Comment: Section 8102(k) is too broad. CDFA should require all formation documents filed with any public agency including, but not limited to, the Secretary of State and local recorder. The formation documents should be those filed with the Secretary of State and should not include Operating Agreements or Partnership Agreements that are not public record. No other businesses require disclosure of nonpublic documents. [0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0364; 0398; 0454; 0464; 0471; 0479; 0506; 0506; 0530; 0535; 0542; 0548; 0572; 0584; 0589]

Response: CDFA disagrees with this comment. The Department has determined that it needs more information than the documentation suggested by the comment.

Comment: Section 8102(k) intrudes on trade secrets, attorney work product, copyright, and underlying privacy interests. [0535]

Response: CDFA rejects this comment. This section is necessary to ensure the Department can accurately identify the applicant for compliance purposes and will not disclose information that is exempt from disclosure under the California Public Records Act or Information Privacy Act of 1977.

Comment: Regarding section 8102(k), require all statements of information and explanation of any person who is no longer listed as an owner or financial interest holder on the application to ensure that others are not controlling the operations from behind the scenes. [0535]

Response: CDFA has decided not to accommodate this comment. Business and Professions Code section 26051.5, subdivisions (a)(1) and (d), governs disclosure of owners and those with a financial interest in the applicant. A change in ownership or those who hold a financial interest that result in new owners or financial interest holders shall submit all information pursuant to section 8102, subdivisions (i) and (j) of the proposed regulations.

Comment: Regarding section 8102(n), add language so that if access to the property upon which the premises is located utilizes a private road or private easement, the applicant shall provide written evidence that the applicant has legal rights to use such private road for commercial cannabis activity for which the applicant is applying for licensure. [0319; 0420; 0448; 0469; 0566; 0586]

Response: CDFA disagrees with this comment. If the applicant has the legal right to occupy the proposed premises, which contains a private road, then this would be duplicative information to supply the Department.

Comment: Regarding section 8102(o), the surety bond should be scaled based on the license type. [0353]

Response: CDFA disagrees with this comment. Subdivision (o) was added to clarify the statutory provisions in Business and Professions Code section 26051.5 and ensures the Department can be reimbursed for the cost of destroying product found in violation of licensing requirements. Based on the costs associated with plant destruction of conventional agricultural products, the Department does not anticipate destruction costs exceeding \$5,000 for any license type. Further, performing an additional economic analysis to determine a scale for bond amounts based on license type would be burdensome and unnecessary without any additional data.

Comment: Regarding section 8102(o), marijuana's federal prohibition may stifle the availability of surety credit for this market. Second, the required condition of the bond is unclear, which may hamper underwriting. We request additional clarity regarding the surety's exposure and liability by expressly reiterating bond conditions. **[0386]**

Response: CDFA rejects this comment. The Department has no way of ensuring that the federal classification of cannabis will not stifle the availability of surety credit for the cannabis market. The Department believes requiring the bond to be on the form prescribed by the Department provides enough clarity regarding the surety's exposure and liability.

Comment: Regarding section 8102(p), the Water Board is months behind processing registrations into enrollments, even after fees have been paid. CDFA should temporarily allow proof of registration and payment fees to the Water Board in order to allow the application to be processed and the license issued, instead of requiring proof of enrollment, for a specified amount of time (with possible extensions if the outside agencies are causing the delay). **[0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0351; 0364; 0398; 0454; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0572; 0584; 0589]**

Response: CDFA rejects this comment. Section 8102, subdivision (p) of the proposed regulations was added to clarify the statutory provisions in Business and Professions Code section 26060.1. This provision is to mitigate the increased potential risk of environmental degradation and was developed in concert with the State Water Resources Control Board.

Both agencies determined this provision necessary to protect the environment and ensure that water rights coverage is obtained prior to issuance of a state cultivation license, if applicable. It is unreasonable for the Department to accept fee payment receipts as evidence of adequate environmental protections, including water rights coverage.

Comment: Remove requirements in section 8102 regarding cultivation plan, Water Board, and Fish and Wildlife. **[0512]**

Response: CDFA has decided not to accommodate this comment. Section 8102, subdivision (p) of the proposed regulations was added to clarify the statutory provisions in Business and Professions Code sections 26060.1 and 26066 and are necessary for the Department to determine whether an applicant has implemented environmental protections measures sufficient to diminish the risks associated with water quality pollution by cannabis cultivation as identified by the Department's *Literature Review on the Impacts of Cannabis Cultivation*. This subdivision was developed in consultation with the State Water Resources Control Board to ensure that the regulations are consistent with terminology and requirements and cannot be removed from the proposed regulations.

Section 8102(u) is necessary to implement the requirements in Business and Professions Code section 26051.5, subdivision (c). Therefore, this section referencing proposed cultivation plans cannot be removed from the proposed regulations.

Section 8102, subdivision (w) was added to clarify the statutory provision in Business and Professions Code section 26060.1, subdivision (b) and ensure that the Department does not issue a license to an active cultivation site that is not compliant with Fish and Game Code section 1602. This subdivision was developed in consultation with the California Department of Fish and Wildlife to ensure that the provision is consistent with its terminology and requirements and cannot be removed from the proposed regulations.

Comment: In reference to section 8102(r), the regulations do not account for projects approved ministerially by a local jurisdiction that adopted a cannabis ordinance through a voter-sponsored ballot initiative. **[0179; 0316]**

Response: CDFA rejects this comment. A local jurisdiction may adopt a ministerial process for authorizing cannabis cultivation that is exempt from the California Environmental Quality Act (CEQA). In this instance, the applicant's operation has not undergone discretionary review subject to CEQA. Section 8102, subdivision (r) of the Department's proposed regulations, addresses this circumstance by requiring the applicant to provide an environmental document that will satisfy CEQA obligations.

Comment: Section 8102(r) fails to adequately acknowledge the lead agency/responsible agency roles of local jurisdictions relative to cannabis permitting and state licensing agencies where a local jurisdiction has assumed lead agency. **[0316]**

Response: CDFA has decided not to accommodate this comment. The Department's proposed regulations, in section 8102, subdivision (r) provide for the submission of the California Environmental Quality Act (CEQA) compliance document where the local jurisdiction has taken on the role of lead agency. In that instance, the Department is acting as a responsible agency for purposes of CEQA and must ensure that the documentation provided sufficiently covers the applicant's proposed cannabis cultivation operation. If the local jurisdiction did not take on the role of lead agency pursuant to CEQA, then the Department would take on that role prior to issuing the license. No change to the regulations is necessary.

Comment: Regarding section 8102(r), existing operators should be afforded the opportunity to present the CEQA Notice of Exemption that was adopted for the local medicinal cannabis ordinance to State regulatory authorities in order to demonstrate CEQA compliance. **[0316]**

Response: CDFA agrees with this comment. The proposed regulation language, inclusive of the proposed changes to this section, would allow an applicant to submit a copy of the Notice of Exemption to demonstrate California Environmental Quality Act compliance.

Comment: Amend section 8102(r) to read: “A copy of a project specific Notice of Determination or Notice of Exemption together with a copy of the applicant’s license, permit, or other authorization from the local jurisdiction pursuant to CEQA if the local jurisdiction has not adopted an ordinance, rule, or regulation pursuant to section 26055(h) of the Business and Professions Code.” **[0316]**

Response: CDFA rejects this comment. The Department changed this section to remove the provision based on Business and Professions Code section 26055, subdivision (h). Further, the new language proposed by the Department requires the documentation mentioned (project specific Notice of Determination or Notice of Exemption) in the comment.

Comment: The provision in section 8102(r) that requires applicants to provide “a project specific” CEQA document prepared by the local jurisdiction is both unclear, and potentially imprecise. Revise to reflect that a “project specific” local CEQA document is not necessarily site specific and may include a CEQA document prepared in connection with multiple sites or an overall regulatory program, as appropriate. **[0405]**

Response: CDFA has decided not to accommodate the comment but has made changes that partially address this comment. The reference in the proposed regulations to “project specific” is not intended to require a separate site-specific California Environmental Quality Act (CEQA) document for each premises (site) or application. A “project specific” document may include multiple sites and the same document may be submitted for multiple applications. However, a CEQA document prepared to analyze a local jurisdiction’s ordinance may not sufficiently demonstrate CEQA compliance for the Department to issue a license unless it includes a project description of the applicant’s operation. The Department has amended this section to require a project description and any accompanying permitting documentation from the local jurisdiction used for making site specific determinations. This change will allow the Department to determine if the applicant sufficiently demonstrates CEQA compliance for its proposed cannabis cultivation operation.

Comment: Regarding section 8102(r)(1), if the program EIR that the county prepared and certified for their ordinance seemed adequate for them to allow land use permits, they should be able to move forward and not be subject to CEQA. **[3H.5]**

Response: CDFA disagrees with this comment. A California Environmental Quality Act (CEQA) document prepared to analyze a local jurisdiction's ordinance may not sufficiently demonstrate CEQA compliance for the Department to issue a license unless it includes a project description and analysis of the applicant's operation. The Department has amended this section to require a project description and any accompanying permitting documentation from the local jurisdiction used for making site specific determinations. This change will allow the Department to determine if the applicant sufficiently demonstrates CEQA compliance for its proposed cannabis cultivation operation.

Comment: Regarding section 8102(r)(1), all CEQA documentation for the adoption of Humboldt's cannabis ordinance is available on the County's website. Applicants should not have to provide the link to the documentation on each individual state application. **[0422]**

Response: CDFA rejects this comment. Humboldt County California Environmental Quality Act documentation may not be the same for each applicant. Multiple environmental documents have been prepared by Humboldt County and each cultivation site may have different documentation associated with it due to site specific conditions. The applicant is responsible for providing this information because it would not be feasible or reasonable for the Department to search for this documentation and determine which document was applicable.

Comment: Regarding section 8102(r)(2), modify wording to make clear that "a project specific" Notice of Determination or Notice of Exemption refers to the Determination made pursuant to the adoption of an ordinance that allows for a commercial cultivation program and that the jurisdiction-wide commercial cannabis licensing program is the "project" (as opposed to the cultivation site at the applicant's premises being the "project" always requiring the review). **[0127; 0296; 0298; 0310; 0311; 0312; 0315; 0318; 0316; 0325; 0328; 0341; 0351;**

0364; 0398; 0421; 0450; 0454; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0572; 0584; 0589]

Response: CDFA disagrees with this comment. A California Environmental Quality Act (CEQA) document prepared to analyze a local jurisdiction's ordinance may not sufficiently demonstrate CEQA compliance for the Department to issue a license unless it includes a project description and analysis of the applicant's operation. The Department has amended this section to require a project description and any accompanying permitting documentation from the local jurisdiction used for making site specific determinations. This change will allow the Department to determine if the applicant sufficiently demonstrates CEQA compliance for its proposed cannabis cultivation operation.

Comment: Revise section 8102(r)(2) to read: "A copy of a project specific Notice of Determination or Notice of Exemption pursuant to CEQA and any accompanying documentation or permitting package used for discretionary review, if applicable, if the local jurisdiction has not adopted an ordinance, rule, or regulation pursuant to section 26055(h) of the Business and Professions Code." [0422]

Response: CDFA disagrees with this comment. The comment is proposing that the Department strike language requiring the applicant to submit a copy of the CEQA document or the reference to where it can be located electronically. The Department needs to review the CEQA documentation associated with each application. The applicant is responsible for providing this information because it would not be feasible or reasonable for the Department to search for this documentation and determine which document was applicable.

Comment: Section 8102(r)(2) might infer that an environmental review must be done at every project site even a local jurisdiction's Notice of Determination or Exemption under CEQA has been issued for a jurisdiction-wide commercial cultivation program. If a jurisdiction has evaluated the potential impact of a jurisdiction-wide commercial cultivation ordinance, then the CEQA document prepared by that jurisdiction, whether a Mitigated Negative Declaration and supporting materials, or a full EIR, should be the document to be submitted and this section

should not infer that the CEQA review be conducted at the specific premises level unless the jurisdiction did not go through a CEQA analysis and the CDFA determines that the activity is not exempt (as indicated in subdivision (3)). [0506]

Response: CDFA disagrees with this comment. A California Environmental Quality Act (CEQA) document prepared to analyze a local jurisdiction's ordinance may not sufficiently demonstrate CEQA compliance for the Department to issue a license unless it includes a project description and analysis of the applicant's operation. The Department has amended this section to require a project description and any accompanying permitting documentation from the local jurisdiction used for making site specific determinations. This change will allow the Department to determine if the applicant sufficiently demonstrates CEQA compliance for its proposed cannabis cultivation operation.

Comment: Regarding section 8102(r)(2), clarify that countywide CEQA reports are expected forms of documentation and remove the language that implies that individual CEQA reports must be conducted by each cultivator for submission. [4H.6]

Response: CDFA disagrees with this comment. A California Environmental Quality Act (CEQA) document prepared to analyze a local jurisdiction's ordinance may not sufficiently demonstrate CEQA compliance for the Department to issue a license unless it includes a project description and analysis of the applicant's operation. The Department has amended this section to require a project description and any accompanying permitting documentation from the local jurisdiction used for making site specific determinations. This change will allow the Department to determine if the applicant sufficiently demonstrates CEQA compliance for its proposed cannabis cultivation operation.

Comment: Regarding sections 8102(r) and (w), consider the July 1, 2019 exemption in relation to the lake and streambed agreements (LSAs). An issue that's about to become very important is the CEQA deadline. That's in legislation and not part of the Department's regulations, however, many of the locally permitting counties and cities are well behind the deadline of July 1 to complete a certified CEQA document. We have a local issue where the

Redding Fish and Wildlife Office is refusing to finalize lake and streambed alteration agreements without a certified CEQA document from Trinity County. The LSA is mandated in the application and without it, it's a nonstarter. There needs to be some communication between CDFA and Fish and Wildlife, especially the Redding Office, on this immediately. There is a huge disconnect. **[4H.37]**

Response: CDFA has decided not to accommodate this comment. Pursuant to Business and Professions Code section 26060.1, subdivision (b)(3), a license shall not be effective until the licensee has demonstrated compliance with Fish and Game Code section 1602 or receives written verification from the California Department of Fish and Wildlife that a streambed alteration agreement is not required. No modification of proposed regulation section 8102, subdivision (r) is necessary to accommodate this comment.

Comment: Regarding section 8102(s), clarify what should be included when no power source is being used, or create an exception for those engaged in light deprivation. **[0321]**

Response: CDFA rejects this comment. The language of this section is not solely dependent upon the power source used for lighting. Applicants may utilize power sources for activities beyond lighting such as "heating, cooling and ventilation" as described in the regulatory text. As such, licensees utilizing light deprivation with no artificial light may need to identify power sources for other cultivation activities such as processing or propagation. Further, if an applicant is not using power for cultivation activities, he or she may indicate that on the application.

Comment: Regarding section 8102(w), there needs to be a solution for licensees who may not be able to provide the Department with final documentation by the date annual licenses are to be approved if the paperwork is not ready. **[0506]**

Response: CDFA's proposed regulations already accommodate this comment. Business and Professions Code section 26050.2 allows an applicant, where qualified, to receive a provisional license if he or she holds or has held a temporary license and submits an otherwise

complete application with evidence that compliance with the California Environmental Quality Act is underway.

Comment: Regarding section 8102(w), allow applicants to submit proof of application and payment of fees for a lake or streambed alteration (LSA) rather than the final LSA or determination that one is not needed in order to process the CDFA annual application. Even if that means CDFA issues a conditional license until receipt of the final LSA documentation, the delays by CDFW in processing applications should not prevent people from getting licensed.

[0127; 0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0351; 0364; 0398; 0421; 0450; 0454; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0572; 0584; 0589; 4H.6]

Response: CDFA has decided not to accommodate this comment. Section 8102, subdivision (w) of the proposed regulations was added to clarify statutory provisions in Business and Professions Code section 26060.1, subdivision (b)(3) and ensure the Department does not issue a license to an active cultivation site that is not compliant with Fish and Game Code section 1602. This subdivision was developed in consultation with the California Department of Fish and Wildlife to ensure that the provision is consistent with its terminology and requirements.

Comment: Request that the Department mandate and define graduated setbacks for cultivation. The larger the cultivation area, the longer the setbacks to nearby properties should be. **[0003; 0327]**

Response: CDFA disagrees with this comment. If the comment is referring to the 600-foot setback attestation requirement in proposed section 8102, subdivision (k), the proposed regulation is reiterating Business and Professions Code section 26054, subdivision (b) and no change is required because the Department is merely implementing statute. If the comment is referring to additional setbacks unrelated to section 8102, subdivision (k), the comment does not provide enough information for the Department to consider a regulatory change.

Comment: Regarding “Indoor” cultivation, the state needs a comprehensive definition of setbacks to avoid loopholes. 500 feet isn’t really that much considering lots of outside activities occur - trucks, deliveries, cleaning. Noise travels. **[0327]**

Response: CDFA rejects this comment as irrelevant because the comment is referencing local setbacks that are not associated with this regulation package. If the comment is intended to be directed at the 600-foot setback attestation requirement in section 8102, subdivision (k), the regulation is reiterating Business and Professions Code section 26054, subdivision (b) and no change is required because the Department is merely implementing statute.

Comment: Regarding “Outdoor” cultivation setbacks, need a comprehensive definition to avoid loopholes. For example, do not erase “Greenhouses” from the ordinance like Staff is doing. Throw a tarp over a greenhouse and it becomes “indoor.” **[0327]**

Response: CDFA rejects this comment as irrelevant because the comment is referencing local setbacks that are not associated with this regulation package. If the comment is intended to be directed at the 600-foot setback attestation requirement in section 8102, subdivision (k), the regulation is reiterating Business and Professions Code section 26054, subdivision (b) and no change is required because the Department is merely implementing statute.

Comment: Regarding section 8102(x), no grows of any kind (whether indoor, mixed-light, or outdoors) should at any time be located within a 1,000-feet of sensitive areas including, but not limited to, pre-schools, rehabilitation centers, and K-12 schools. This provision may not be vacated by any county or other entity. **[0327]**

Response: CDFA disagrees with this comment. The Department is implementing statutory requirements in Business and Professions Code section 26054 which require a distance of 600 feet. The statute allows the Department or a local jurisdiction to specify a different radius. The Department determined that it would not be feasible to determine a different radius and that this is a decision more appropriate for local jurisdictions. The Department cannot prevent a county or other local jurisdiction from establishing its own distance requirements.

Comment: Regarding section 8102(x), add language to protect land adjacent to parks (i.e. buffer zones). **[0262]**

Response: CDFA disagrees with this comment. The Department is implementing statutory requirements in Business and Professions Code section 26054 which require a distance of 600 feet. The statute allows the Department or a local jurisdiction to specify a different radius. The Department determined that it would not be feasible to determine a different radius and that this is a decision more appropriate for local jurisdictions. The Department cannot prevent a county or other local jurisdiction from establishing its own distance requirements.

Comment: Regarding section 8102(x), strongly urge adding criteria that the local license must have been issued prior to January 1, 2017 to allow an exception to the 600-foot buffer. **[0330]**

Response: CDFA disagrees with this comment. The proposed regulations specify that a local ordinance may specify a different radius consistent with Business and Professions Code section 26054, subdivision (b), which does not mention a time restriction or window for local jurisdictions to specify such by ordinance. Accepting this comment would conflict with statute and could inhibit local jurisdictions from adopting or amending ordinances.

Comment: Regarding section 8102(x), the regulations should be consistent with Business and Professions Code section 26054(b). Recommend that subdivision (x) explicitly clarify that the radius prescribed by local ordinance may be *greater or lesser* than 600 feet. **[0405]**

Response: CDFA disagrees with this comment that subdivision (x) is not consistent with Business and Professions Code section 26054, subdivision (b) as the regulations closely mirror statute. Consistent with Business and Professions Code section 26054, subdivision (b), the proposed regulations specify that a local ordinance may specify a different radius. There is no need for the Department to further clarify that the radius prescribed by a local ordinance may be “greater or lesser” than 600 feet as those terms are not found in section 26054, subdivision (b) and the Department does not see this as a point of confusion for applicants.

Comment: Support 8102(x). Keep as worded. [0547]

Response: The Department has noted this comment of support. No further response is required.

Comment: Regarding section 8102(x), 600 feet is an arbitrary and excessive number. It does not work in all areas. [0556; 0593; 4H.9; 4H.12]

Response: CDFA has decided not to accommodate this comment. The Department's regulations do not establish the requirement of a 600-foot radius from a school, day care center, or youth center. This requirement is established by statute in Business and Professions Code section 26054, subdivision (b). The Department regulations merely implement this statute.

Comment: Regarding section 8102(y), the regulations should require applicants to offer proof of labor peace agreement within 30 days of licensure when employing 20 or more employees. [0035]

Response: CDFA disagrees with this comment. Applicants may not be required to have a labor peace agreement at the time of application. The applicant shall provide a copy of the page of the labor peace agreement that contains the signatures of the union representative and the licensee as soon as reasonably practicable after licensure.

Comment: Regarding section 8102, subdivision (y), the proposed language is confusing because it is broad enough to include applicants that have not entered into a labor peace agreement despite having 20 employees. [0035; 0340]

Response: CDFA disagrees with this comment. The Department's regulations do not establish the requirement that employers of 20 or more employees enter into a labor peace

agreement. This is a statutory requirement established by Business and Professions Code section 26051.5. The Department regulations merely implement this statute.

Comment: Regarding section 8102(y), the labor peace requirement of MAUCRSA is not optional for employers of 20 employees. Any regulation that requires proof of such “as soon as reasonably practicable” should be amended to include a finite deadline of 30 days. Previous versions of the regulations included a 30-day deadline, and this language should be once again included. **[0035; 0340]**

Response: CDFA rejects this comment. Earlier versions of the Department’s regulations did not include the provision that this requirement must be met within 30 days. Mandating this be done within 30 days could be overly burdensome for applicants already struggling with the licensure process and does not consider the seasonal staffing variability of the industry. For example, a licensee may have well under 20 employees at the time the application was submitted, but then need to hire more than 20 throughout the licensed period. Therefore, the Department believes it is reasonable to allow licensees that need to unexpectedly hire more than 20 employees the opportunity to meet this requirement “as soon as reasonably possible” throughout the licensed period.

Comment: Regarding section 8102(y), labor standards should be extended into applications. The State cannot take for granted that freshly legal cannabis employers will comply with, or even be knowledgeable about, labor standards and payroll obligations. Therefore, the regulations should require proof of such baseline compliance in the application process. **[0035; 0340]**

Response: CDFA rejects this comment. The Department is licensing activities related to commercial cannabis cultivation. The addition of labor standards is outside of the purview and expertise of the Department. As such, including additional labor related requirements would be better addressed by departments or agencies that are responsible for implementing labor standards.

Comment: Regarding section 8102(y), the regulations should require BCC, DPH, and CDFA to coordinate with the Department of Labor Standards Enforcement, Cal-OSHA, and the Agricultural Labor Relations Board to ensure that there is a clear plan regarding the enforcement of labor standards and the sharing of information regarding licensees. **[0035; 0340]**

Response: CDFA rejects this comment. The Department is licensing activities related to commercial cannabis cultivation. The addition of labor standards is outside of the purview and expertise of the Department. As such, including additional labor related requirements would be better addressed by departments or agencies that are responsible for implementing labor standards.

Comment: Amend section 8102(y) to allow submission of proof that negotiations to determine the terms of the labor peace agreement are on-going or commencing as of a certain date. Similarly, applicants should be allowed to submit proof there is a delay in negotiations. **[0259]**

Response: CDFA has decided not to accommodate this comment because applicants may not be required to have a labor peace agreement at the time of application. The proposed regulations require the applicant to provide a copy of the page of the labor peace agreement that contains the signatures of the union representative and the licensee as soon as reasonably practicable after licensure.

Comment: Regarding section 8102(y), strike the language that references twenty (20) or more employees *at any time* from this section. CDFA should recognize the organizing rights of unions under agricultural law. If a cultivation operation regularly operates with twenty (20) employees through the course of the year then yes, that licensee should move forward with a labor peace agreement. But in the case of the family farm that swells to the twenty (20) employee mark for two weeks in the spring and then maybe four weeks in the fall, the labor peace agreement requirement seems excessive. **[0482]**

Response: CDFA rejects this comment. The Department determined it necessary to include “at any point in time” to ensure compliance with Business and Professions Code section 26051.5. Failure to include “at any point it time” in the regulation could easily result in noncompliance with Business and Professions Code section 26051.5. The Department’s proposed regulation aligns with statute.

Comment: Regarding section 8102(y), remove the signature requirement. Small businesses with occasional employees have a difficult time getting the attention of the union, let alone signatures in a timely manner, because unions know that in small businesses with few full-timers and mostly part-time staff, they are not likely to become paying members. If the requirement were instead for a business with twenty (20) or more full-time year-round employees, that would be a more established business and a more reasonable request to have a signed union agreement. [0508]

Response: CDFA has decided not to accommodate this comment. The Department has determined that a signature is necessary to verify compliance with this subdivision, so the regulation requires the applicant to submit a copy of the signature page for the labor peace agreement either at the time of application or as soon as reasonably practicable after licensure for licensees with 20 or more employees on payroll at any point in time. Applicants with less than 20 employees on payroll at any point in time are not required to submit this documentation. The Department believes that the language of “as soon as reasonably practical after licensure” adequately provides time for smaller business owners with 20 or more employees to obtain a signature of a union representative to confirm that the applicant will enter into a labor peace agreement. Furthermore, the Department required 20 or more employees at any point in time because of the seasonal variability in the number of employees and the increased likelihood of contracted labor, the requirement of a labor peace agreement for more than 20 employees mitigates labor related issues and promotes labor peace between employees and employers at any time during the licensed period.

Comment: Regarding section 8102(y), use the original language from the emergency regulations. The proposed regulations place an additional burden on those businesses that

operate in smaller, rural counties who may already have a harder time competing with other businesses in larger, less rural counties. It will also be difficult for some businesses to find labor unions with the capacity to get all the agreements completed and to do so in a reasonable amount of time. **[0529; 4H.43]**

Response: CDFA rejects this comment. The previous definition did not require an applicant to verify compliance with this requirement beyond the attestation. This current proposed language is necessary to ensure compliance with this statutory requirement and to allow licensees flexibility to accommodate the seasonal variability of employee numbers.

Comment: Amend section 8102(y) to avoid requiring small operators who only temporarily hire workers for seasonal and harvest employment, but regularly employ less than 20 employees, to sign Labor Peace Agreements. **[0551]**

Response: CDFA disagrees with this comment. The Department determined it necessary to include “at any point in time” to ensure compliance with Business and Professions Code section 26051.5. Failure to include “at any point it time” in the regulation could easily result in noncompliance with Business and Professions Code section 26051.5. The Department’s proposed regulation aligns with statute.

Comment: To section 8102(z) add: “Licensees with fewer than 20 employees are exempt from the agriculture employer attestation.” Why is a cultivator required to attest to be an “agricultural employer” if they have no employees? Many small farmers in rural areas are family operated or partner operated without employees. **[0310; 0311; 0328; 0398; 0506]**

Response: CDFA disagrees with this comment. Business and Professions Code section 26051.5, subdivision (a)(8) requires an applicant seeking a cultivation license to provide a statement declaring the applicant is an “agricultural employer,” as defined in the Alatorre-Zenovich-Dunlap-Berman Agricultural Labor Relations Act of 1975. The Department is merely implementing the statute.

Comment: Revise section 8102(aa) to require indoor cultivation sites to receive an actual inspection for Fire Code compliance - not merely a notification to a fire department. **[0405]**

Response: CDFA disagrees with this comment. Proposed regulation section 8102, subdivision (aa) aligns with Business and Professions Code section 26066 which requires licensees to be in compliance with fire standards. It is not necessary for the Department to require an actual inspection.

Comment: All applicants for a temporary or annual license must meet the California Board of Forestry and Fire Protection SRA Fire Safe Regulations, as of January 1, 2016, including but not limited to Article 2, Emergency Access and Egress, for the proposed premises. **[0448; 0469; 0494]**

Response: If the comment is suggesting that this language be inserted in CDFA's proposed regulations, the Department disagrees. Licensees are subject to existing laws and regulations, if applicable, and it is unnecessary to insert all laws that may apply to cultivators into regulation.

Comment: Regarding section 8102(bb), there is no pathway to allow federally recognized Native American tribes, or non-Tribal owned businesses located on federally recognized reservations, to participate in the regulated cannabis markets of California. **[0174]**

Response: CDFA disagrees with this comment. Proposed regulation section 8102, subdivision (bb) is intended to specify the rules required for sovereign entities, such as federally recognized tribes, to apply for and receive a license to cultivate cannabis. This is necessary to ensure that tribes or other qualifying sovereign entities can participate in the regulated cannabis cultivation market in the same way as other applicants or licensees. The Department is statutorily mandated to issue licenses only to qualified applicants and must be able to conduct reviews of all applications. Requiring sovereign entities to fully waive immunity specifically with respect to implementation and enforcement for commercial cannabis licensing allows the Department to fulfill its mandate.

Comment: Request language in section 8102(bb) be changed to add: “If a federally recognized tribe is acting as a landlord to cannabis businesses, it will specifically not assert its sovereign immunity on behalf of those businesses which are physically located on federally recognized tribal lands, while not being asked to waive its sovereign immunity with respect to any other element or situation.” **[0174]**

Response: CDFA has decided not to accommodate this comment. Proposed regulation section 8102, subdivision (bb) is intended to specify the rules required for sovereign entities, such as federally recognized tribes, to apply for and receive a license to cultivate cannabis. This is necessary to ensure that tribes or other qualifying sovereign entities can participate in the regulated cannabis cultivation market in the same way as other applicants or licensees. The Department is statutorily mandated to issue licenses only to qualified applicants and must be able to conduct reviews of all applications. Requiring sovereign entities to fully waive immunity specifically with respect to implementation and enforcement for commercial cannabis licensing allows the Department to fulfill its mandate.

Comment: Remove section 8102(bb), which requires tribal communities to waive their sovereign immunity for the purposes of cultivating cannabis in the state of California. **[0310; 0311; 0328; 0398; 0506; 0519; 4H.27]**

Response: CDFA cannot accommodate this comment. Proposed regulation section 8102, subdivision (bb) is intended to specify the rules required for sovereign entities, such as federally recognized tribes, to apply for and receive a license to cultivate cannabis. This is necessary to ensure that tribes or other qualifying sovereign entities can participate in the regulated cannabis cultivation market in the same way as any other applicant or licensee. The Department is statutorily mandated to issue licenses only to qualified applicants and must be able to conduct reviews of all applications. Requiring sovereign entities to fully waive immunity specifically with respect to implementation and enforcement for commercial cannabis licensing allows the Department to fulfill its mandate.

Comment: Regarding section 8102(bb), if a tribe provides its applicable law to the State, the State should consider tribal ordinances in addition to local ordinances and regulations when issuing licenses for commercial cannabis cultivation. **[0519]**

Response: CDFA cannot accommodate this comment based on statute. Business and Professions Code section 26001, subdivision (ac) defines a local jurisdiction as a city, county, or city and county. The Department is merely implementing statute.

Comment: Regarding section 8102(cc), remove the words “if applicable” which requires the applicant “shall” (change to “must”) provide evidence that the premises are not in a fragile watershed area that the State Water Resources Control Board or the California Department of Fish and Wildlife has determined could be adversely impacted. The state must be proactive as the local jurisdictions will overlook this provision and will simply pass on the application without examining the entire geographic area. Irreparable damage could be done to these areas. **[0147]**

Response: CDFA disagrees with the suggestion to remove “if applicable” within proposed regulatory section 8102, subdivision (cc). The purpose of this section is to clarify Business and Professions Code section 26069, subdivision (c)(1) and provide licensees and the public with a reference to this requirement. The language was developed in consultation with the California Department of Fish and Wildlife and the State Water Resources Control Board and is necessary to clarify how the two entities will notify the Department.

Comment: Regarding section 8102(cc), this section does not specify what constitutes “if applicable” with respect to when it is required that an applicant provide proof the site is located in whole or in part in a watershed or other geographic area that the State Water Resources Control Board or the Department of Fish and Wildlife has determined to be significantly adversely impacted by cannabis cultivation pursuant to section 8216. Does it mean when the Water Board or Fish and Wildlife notified CDFA? How is the applicant supposed to know if this requirement is applicable? Please enunciate that “if applicable” only applies if CDFA has been notified by the Water Board or CDFW of watersheds that have been determined to be

“significantly adversely impacted” and that this is not an automatic requirement. In the alternative, please enunciate when “if applicable” would in fact apply. [0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0351; 0364; 0398; 0454; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0572; 0584; 0589]

Response: CDFA has decided not to accommodate this comment. The purpose of this section is to clarify Business and Professions Code section 26069, subdivision (c)(1) and provide licensees and the public with a reference to this requirement. The language was developed in consultation with the California Department of Fish and Wildlife and the State Water Resources Control Board and is necessary to clarify how the two entities will notify the Department when a watershed has been determined to be adversely impacted. At that point, an applicant would need to provide evidence to the Department that they were not located within the impacted watershed. CDFA does not believe this question raises any clarification issues that should be addressed in the proposed regulations.

Comment: Regarding section 8102(cc), is there a link to a map that delineates the referenced watershed or geographic areas so designated? [0316]

Response: The referenced watershed/geographic area would be defined by the California Department of Fish and Wildlife and/or the State Water Resources Control Board. CDFA does not believe this question raises any clarification issues that should be addressed in the proposed regulations.

Comment: Support the language of section 8102(cc). [0465; 0482]

Response: The Department has noted this comment. No further response is required.

Comment: Amend section 8102(dd) to include, “...unless the location of the licensed premises falls entirely within the boundaries of a federally recognized Indian Tribe's reservation.” As currently drafted, the language is impermissible on its face because as applied

to cannabis businesses located on federally recognized tribal lands, whether those businesses are tribally operated or not, this section impermissibly assigns control over activities occurring on tribal lands to either a county or city of the state, despite the clear evidence to the contrary that such activities are outside the jurisdiction of the city or county simply because the federally recognized reservation happens to be physically located within the geographic borders of a city or county. [0174]

Response: CDFA has decided not to accommodate this comment. The Department lacks authority to include the suggested language. Business and Professions Code section 26001, subdivision (ac) defines a local jurisdiction as a city, county, or city and county and provides authority for this subdivision.

Comment: Amend section 8102(dd) so as to insert: “The department shall not approve an application for a state license if approval of the license would violate tribal law, or would violate the provisions of any local ordinance or regulation adopted in accordance with section 26200 of Business and Professions Code that is issued by the county, or, if within a city, the city, within which the licensed premise is to be located.” [0519]

Response: CDFA has decided it cannot accommodate this comment as it lacks the authority to include the suggested language. Business and Professions Code section 26001, subdivision (ac) defines a local jurisdiction as a city, county, or city and county.

Comment: Keep the annual license as annual; do not extend longer than one year. [0505]

Response: CDFA agrees with this comment as it is consistent with the proposed regulations and statute. Business and Professions Code section 26050, subdivision (c) allows for a license to be valid for 12 months from the date of issuance. The license may be renewed annually. No clarification of the proposed regulations is necessary.

Section 8103. Owners and Financial Interest Holders.

Comment: Remove “officer” from section 8103(b). In a corporation, an officer is not necessarily an owner. Requiring businesses to alert CDFA and pay a new application fee to replace officers will inhibit businesses from replacing their officers. CDFA should remove the requirement that officers be included as “owners” as an officer/owner will naturally be included already. **[0321]**

Response: CDFA rejects this comment. The Department maintains that including officers is necessary to identify those participating in the control of the applicant and ensure that the Department is issuing licenses to qualified applicants.

Comment: Regarding section 8103(b), ensure that all the cannabis regulations are in line with each other. There are currently different definitions for “owner” and “financial interest holder.” **[0321; 0405]**

Response: CDFA rejects this comment. Though it is reasonable to have aligned definitions amongst the cannabis licensing agencies, it is not feasible in this circumstance. The business structure types vary amongst the licensing agencies and thus have different ownership needs to be addressed. The Department and the other licensing agencies conferred on this information and determined to structure ownership differently to suit industry needs and the needs of each agency to sufficiently perform background checks and associated owner related compliance checks.

Comment: Eliminate the requirements of section 8103. **[0535]**

Response: CDFA rejects this comment. The Department maintains that this requirement is necessary to identify those participating in the control of the applicant and to ensure the Department is issuing licenses to qualified applicants.

Comment: Section 8103 lacks consistency across license types. The board of directors of any corporation should be disclosed, not just nonprofits. Managers of any limited liability company should also be disclosed. **[0535]**

Response: CDFA rejects this comment. Managers of limited liability companies are classified as owners in proposed regulation section 8103, subdivision (b)(2). Further, section 8103 does not need to be consistent across business types because business types have different structures and as such, have different owner requirements.

Section 8105. Property Diagram.

Comment: Regarding section 8105, please add an additional subdivision to include a north arrow requirement. **[0316; 3H.5]**

Response: CDFA rejects this comment. The Department intends to include only necessary information in the diagram. The Department has determined a north arrow is not an essential item and does not need to be included. Further, Department application review staff have indicated that applicants have been struggling to include all the current required information in the diagram and the addition of another requirement could be overly burdensome on applicants. The applicant may provide a north arrow in the property diagram if he or she so chooses.

Comment: Regarding section 8105(b), clarify that the remaining portion of the premises only refers to that portion actually leased, occupied, or owned by the applicant. **[0535]**

Response: CDFA disagrees with this comment. The Department determined that it is necessary to know every activity happening on the property for safety and enforcement purposes.

Comment: Regarding section 8105(e), it would be helpful if there were only one assessor's parcel number (APN) associated with each license. **[0316]**

Response: The Department has decided not to accommodate this comment. Because there are a variety of growing techniques and operations across California, the Department has determined that allowing only one license per APN would be too limiting.

Section 8106. Cultivation Plan Requirements.

Comment: Allow small cultivators and nurseries - defined by gross receipts or cumulative cultivation area - to share a single premises for drying, processing, harvest storage, and immature plant areas in cases where they hold multiple licenses. **[0391]**

Response: CDFA rejects this comment. Provisions for sharing specific to small operators are available through the formation of Cannabis Cooperative Associations as prescribed in Chapter 22 of Division 10 of the Business and Professions Code. The Department does not have enough information to determine what would viably be considered a small operator based on gross receipts this early in the licensing process. Further, making assumptions or projections in this area could interfere with the implementation of Chapter 22 of the Business and Professions Code and equity amongst all licensees.

Comment: Unlike in sections 8108 and 8308, the term “cannabis waste” is not defined for purposes of section 8106. The definition of cannabis waste in all three sections should be aligned with the definitions used by other cannabis regulatory agencies. **[0033]**

Response: CDFA rejects this comment. The Department defined “cannabis waste” as organic waste as defined in Public Resources Code section 42649.8, subdivision (c), which is consistent with the proposed regulations by the Bureau of Cannabis Control and the California Department of Public Health. Cannabis waste is further clarified and thus appropriately defined in sections 8108 and 8308. Including the definition in 8106 would be redundant and is not necessary.

Comment: Section 8106(a)(1) identifies size limits for cultivation businesses, which are measured by the canopy area of mature plants. Do nurseries which cultivate immature plants and mature plants for the production of seeds have a size limit? If so, how is that calculated? **[0527]**

Response: The Department has not established a size limit for nurseries for the cultivation of mature plants for seed. However, Business and Professions Code section 26200, subdivision (a)(1) allows for local jurisdictions to create limits regarding size limits for nurseries.

Comment: Regarding section 8106(a), suggest that the Department also provide guidance for cultivators with multiple premises on the same property. Other state agencies have provided guidance for common or shared areas where the applicant's proposed premises consists only of a portion of a property that will contain two or more licensed premises. **[0177]**

Response: CDFA agrees with this comment and has clarified shared space issues in the amended proposed regulations (See section 8106, subdivisions (a)(1)(J) and (a)(1)(K)). Now, specified designated areas that are shared between licenses held by one licensee may be shared if certain requirements are met. Common use areas may also be shared by multiple licensees.

Comment: Regarding section 8106(a)(1)(B), propose that propagation areas, research and development areas, and areas dedicated to seed production (utilizing mature plants) be reasonably limited. **[0405]**

Response: CDFA rejects this comment. Reasonably limiting areas outside of canopy areas could interfere with licensees' ability to conduct their business and could potentially interfere with local land use permitting. As such, the Department believes this comment would be better addressed through local land use permitting.

Comment: Remove subdivision (a)(1)(C) from section 8106. **[0481]**

Response: CDFA rejects this comment. This section is necessary to ensure compliance with environmental protection measures during inspections and to ensure licensees adequately store agricultural chemicals to prevent environmental damage.

Comment: Regarding section (a)(1)(I), adding a new designated area (for segregating

cannabis subject to an administrative hold) could be unduly burdensome if not specifically allowed to be co-located in other structures. Specify that this new designated area may be located within structures used for other licensed activities so long as the area is a separate designated area and the cannabis is physically kept separate. [0127; 0296; 0298; 0312; 0315; 0318; 0325; 0341; 0351; 0364; 0421; 0450; 0455; 0464; 0471; 0479; 0530; 0542; 0548; 0572; 0584; 0589]

Response: CDFA rejects this comment. The Department did not explicitly prohibit this area from being co-located in other structures. The Department does not believe it reasonable or necessary to add additional restrictions or requirements to this section. This will allow applicants to include this area in a reasonable location on their premises.

Comment: Regarding section 8106(a)(2), clarify what should be included when no lighting is being used, or create an exception to the requirements where no artificial light is being used. [0321]

Response: CDFA rejects this comment. Lighting diagrams for indoor and mixed-light license types are necessary to determine whether applicants are applying for the correct license type. If there are no lights in the canopy areas, a lighting diagram would simply state that no lights are present. Further, the Department does not believe it reasonable to remove this section for applicants with no artificial light for compliance and enforcement purposes.

Comment: Remove subdivision 8106(a)(3)(A). [0481]

Response: CDFA disagrees with this comment. This subdivision was added to clarify the statutory provision in Business and Professions Code section 26060, subdivision (e). This portion of the cultivation plan is necessary for the Department to ensure the environment is protected from the illegal use of pesticides and that the licensee has a plan for handling potential pest introductions and infestations. The Department's *Literature Review on the Impacts of Cannabis Cultivation* discusses the risk to the environment from improper pesticide

use and storage and the Department determined it is necessary to know about a licensee's pesticide use and storage plans in order to transition cultivators into a regulated environment.

Comment: Remove subdivision (b)(1)(D) from section 8106. **[0481]**

Response: CDFA disagrees with this comment. This portion of the cultivation plan is necessary for the Department to ensure the environment is protected from the illegal use of pesticides. The Department's *Literature Review on the Impacts of Cannabis Cultivation* discusses the risk to the environment from improper pesticide use and storage and the Department determined it is necessary to know about a licensee's pesticide use and storage plans in order to transition cultivators into a regulated environment.

Comment: Regarding section 8106(b)(2), organic producers should not be required to maintain a separate pest management plan. **[0400; 0401]**

Response: CDFA disagrees with this comment. This subdivision was added to clarify the statutory provision in Business and Professions Code section 26060, subdivision (e). This portion of the cultivation plan is necessary for the Department to ensure the environment is protected from the illegal use of pesticides and that the licensee has a plan for handling potential pest introductions and infestations.

Comment: Remove subdivision (b)(2)(A) from section 8106. **[0481]**

Response: CDFA disagrees with this comment. The Department's *Literature Review on the Impacts of Cannabis Cultivation* discusses the risk to the environment from improper pesticide use and storage and the Department determined it is necessary to know about a licensee's pesticide use in order to transition cultivators into a regulated environment.

Comment: Amend section 8106(a)(2)(B) to read, "Maximum wattage, or wattage equivalent, and Photosynthetic Photon Efficacy of each light." **[0486]**

Response: CDFA rejects this comment. This section is required to ensure applicants apply for the correct license type and is a compliance tool for staff inspections. The metric of wattage per square foot is standardized to determine differences in license types and is not attempting to identify or measure energy consumption or photons delivered to plants. Further, the photosynthetic photon efficacy is not a standardized industry tool. Including this information would be unfair and potentially confusing to applicants and is not necessary.

Comment: Add a new subdivision to 8106: “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 applicant 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, loading areas, and breakrooms.” [0495]

Response: CDFA has decided to accommodate this comment by clarifying the shared space issue in the amended proposed regulations (See section 8106, subdivisions (a)(1)(J) and (a)(1)(K)). Now, specified designated areas that are shared between licenses held by one licensee may be shared if certain requirements are met. Common use areas may also be shared by multiple licensees.

Section 8107. Supplemental Water Source Information.

Comment: Remove section 8107(a)(1)(ii). [0451]

Response: CDFA disagrees with this comment. For retail water supply sources, a copy of the most recent water service bill is necessary to ensure each water source is verifiable by the State Water Resources Control Board and to provide clarity to applicants regarding what information the Department must receive for a complete application. The Department consulted with the State Water Resources Control Board in developing this section to determine the appropriate requirements.

Comment: Insert language in section 8107 so that cannabis applications will be required to install “smart” water meters as part of their operations to comply with the new Sustainable Groundwater Law which will be operative in a little over a year. [0147]

Response: CDFA has decided not to accommodate this comment. Licensees are required to comply with all applicable laws and regulations, therefore it is not necessary for the cannabis regulations to require installation of “smart” water meters. Additionally, the term “smart” water meter is vague and there is no uniform definition.

Section 8108. Cannabis Waste Management Plan.

Comment: Sections 8108 and 8308 define “cannabis waste.” However, it may be helpful to indicate materials that may be excluded from the definition of cannabis waste. There may be some confusion regarding if cannabis plant twigs, stems, and inert growth media containing roots are considered cannabis waste. [0033]

Response: CDFA disagrees with this comment. Any materials that are not “cannabis waste,” as defined in Public Resources Code section 42649.8, subdivision (c) as “food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with food waste,” are considered waste. The Department does not believe this section is confusing or requires a change to the proposed regulations.

Comment: Suggest the definition for “cannabis waste” be consistent across all licensing agencies, especially when vertical integration is involved and reference to multiple sets of regulations is necessary. [0170]

Response: CDFA disagrees with this comment. The Department defined “cannabis waste” as organic waste as defined in Public Resources Code section 42649.8, subdivision (c), which is partially consistent with the proposed regulations by the Bureau of Cannabis Control. Cannabis waste for the purposes of licensing, however, varies upon the product form (cannabis flower versus a manufactured oil-based product). As such, the definitions need to be tailored to the cannabis activity licensed by the commercial cannabis licensing agencies and it is

unreasonable to have consistency when the product forms and associated waste products vary so greatly.

Comment: Amend section 8108 to read: “‘Cannabis waste’ means cannabis or cannabis product that has been rendered ‘unrecognizable and unusable’ as defined in California Code of Regulations Division 42 of Title 16, section 5054(b), containing cannabis or cannabis products but is not otherwise a hazardous waste as defined in the Public Resources Code section 40141.” This clarification is important so that moving forward, operators know that cannabis waste regulations are applicable to rendered cannabis waste, as opposed to merely the disposal of cannabis cultivation product/byproduct. **[0170]**

Response: CDFA rejects this comment. No clarification is needed in the regulatory text because California Code of Regulations Division 42 of Title 16 is a regulation established by the Bureau of Cannabis Control and does not apply to licenses issued by the Department.

Comment: Clarify where the haulers listed can take cannabis waste consistent with Section 8108(c). **[0033]**

Response: CDFA rejects this comment. Licensed local waste processing and waste haulers vary based on location and local permits. Including additional information specific to each locality would be overly burdensome and is not necessary in these regulations. However, in the final proposed regulations, section 8108, subdivision (c)(6)(C) was amended to clarify that the organic portion of the cannabis waste shall be sent to a facility or operation identified in subdivision (c)(1) *through* (5). The additional language was needed to clarify which facilities or operations a recycling center can send the organic portion of the cannabis waste that has been separated from the mix of inorganic and organic material it received for processing. The activities listed in subdivision (c)(1) *through* (5) are ones that are authorized to receive and process compostable (organic) materials.

Comment: Regarding section 8108(c), change the term “manned” to “staffed.” **[0316; 3H.5]**

Response: CDFA has decided not to accommodate this comment because “manned” is the appropriate regulatory term. The Department consulted with the California Department of Resources Recycling and Recovery (CalRecycle) to craft this section to ensure consistency and uniformity with other provisions of the law.

Comment: Would like the ability to feed cannabis waste to livestock. [0004]

Response: CDFA ultimately decided not to accommodate this comment. Although provided for in the Department’s modified proposed regulations, the language was removed in the final proposed regulations. Department staff worked with the Animal Health and Food Safety Services Division within the Department to determine that feeding cannabis waste to livestock is not an acceptable method of waste removal at this time.

Comment: Citing section 8108, cannabis waste management becomes an issue where one operation may span across many premises; thus, requiring multiple cannabis waste facilities. [0091; 0280; 0375]

Response: CDFA’s proposed regulations already accommodate this comment. Farmers with multiple licenses may share waste areas and as such, may have the same waste management plan. No further clarification is necessary.

Comment: Citing section 8108, allow single farmers with multiple licenses to share a cannabis waste management plan. Each licensee can report separately but allow for the communal waste space or collection to a waste facility. [0091; 0280; 0324; 0375; 0477]

Response: CDFA’s proposed regulations already accommodate this comment. Farmers with multiple licenses may share waste areas and as such, may have the same waste management plan. No further clarification is necessary.

Comment: Regarding section 8108, add the option of utilizing licensed cannabis third-party waste management service providers to handle pick-up. [0171]

Response: CDFA has decided not to accommodate this comment. The Department does not have the authority to create a cannabis waste management service provider license and that license type does not exist. Further, CDFA's proposed regulations already allow for collection and processing of cannabis waste by a local agency, a waste hauler franchised or contracted by a local agency, or a private waste hauler permitted by a local agency.

Comment: Licensed cannabis third-party cannabis waste management service providers must be required to obtain a Type 11 license to distinguish themselves between a regular "waste hauler" and a "licensed waste management service provider." This would make the waste haulers accountable for properly documenting the acceptance of the cannabis products and makes sure cannabis product does not go unaccounted for. **[0171]**

Response: CDFA has decided not to accommodate this comment. The Department lacks authority regarding the implementation of this requirement. The California Department of Resources Recycling and Recovery (CalRecycle) has jurisdiction over waste hauler laws. Further, CDFA's proposed regulations already allow for collection and processing of cannabis waste by a local agency, a waste hauler franchised or contracted by a local agency, or a private waste hauler permitted by a local agency.

Comment: Providing an alternative cannabis waste solution will make it easier on generators and will ultimately be a more sustainable solution to cannabis waste as licensed cannabis waste management service providers are familiar with sustainable, eco-friendly ways of waste destruction (as opposed to waste haulers who will ultimately dump the cannabis waste into a landfill." **[0171]**

Response: CDFA has decided not to accommodate this comment. The Department lacks authority regarding the implementation of this requirement. The California Department of Resources Recycling and Recovery (CalRecycle) has authority over what is considered alternative cannabis waste solutions.

Section 8109. Applicant Track-and-Trace Training Requirement.

Comment: Revise the last sentence of section 8109(b) to read: "...application for licensure is complete and a license has been issued." [0310; 0311; 0328; 0398; 0506]

Response: CDFA rejects this comment. The Department maintains it is reasonable for applicants to become familiar with the track-and-trace system prior to licensure to ensure cannabis and cannabis product is sufficiently documented and that applicants have plenty of time to reach out with questions or concerns about the system and prepare their businesses to make the necessary adjustments in the transition to utilizing the track-and-trace system.

Comment: Supportive of the changes in section 8109 compared to the language in the emergency re-adopt. Seems to give clarity to the applicant that they can be the "manager" of the track-and-trace or can assign a designee. [0482]

Response: The Department has noted this comment. No further response is required.

Section 8110. Proof of Local License, Permit, or Other Authorization.

Comment: Amend section 8110 so that local jurisdictions have 10 working days to respond to the department's notification of receipt of local authorization as opposed to 10 calendar days. Alternatively, extend the deadline to 14 calendar days. [3H.6; 0316; 0549]

Response: CDFA rejects this comment. The Department maintains that 10 calendar days is sufficient notice for local jurisdictions to confirm validity of local authorization provided by the applicant based on staff experience with the temporary application notification process. Further, in applications where the applicant has not voluntarily submitted local verification pursuant to Business and Professions Code section 26055, the local verification process is much longer as prescribed in Business and Professions Code section 26055.

Comment: Regarding section 8100, a response of 10 calendar days is not sufficient to respond with verification of permitted/licensed businesses or a local authorization for

individuals in the process of becoming compliant with local requirements. Request the local jurisdiction be given 30 calendar days to respond to the licensing authority. **[0127]**

Response: CDFA rejects this comment. The Department maintains that 10 calendar days is sufficient notice for local jurisdictions to confirm validity of local authorization provided by the applicant based on staff experience with the temporary application notification process. In applications where the applicant has not voluntarily submitted local verification pursuant to Business and Professions Code section 26055, subdivision (e), the local verification process is much longer (60 days) as prescribed in Business and Professions Code section 26055, subdivision (g)(2)(D). Further, at any time after the expiration of the 60-day period, a local jurisdiction may notify the Department of non-compliance pursuant to Business and Professions Code section 26055, subdivision (g)(2)(E).

Comment: Regarding section 8110, the State should not be liable for inaction and incompetence at the local level. The state should not issue a license if the local jurisdiction does not respond within 10 days. No response should mean no state license. **[0146]**

Response: CDFA rejects this comment. The Department is implementing the statutory provisions of Business and Professions Code section 26055, subdivision (g)(D) which states, “the licensing authority shall make a rebuttable presumption that the applicant is in compliance with all local ordinances and regulations.”

Comment: Amend section 8110 to add: “If the location requested will be or is within a federally recognized Indian Reservation, then the State will recognize Tribal approval for a licensee to engage in commercial cannabis activities on land within the Tribe’s jurisdiction, in lieu of requiring that such local approval be provided by a local jurisdiction.” **[0174]**

Response: CDFA rejects this comment. The Department is implementing Business and Professions Code section 26055. The Department does not have the authority to waive statutory requirements for federally recognized Indian Reservations and accept Tribal approval in lieu of local notification. However, if the local jurisdiction does not respond, a rebuttable

presumption of compliance with local law is made and the Department may proceed with processing the application.

Comment: The State must not approve any license unless the applicant has an approved local license. The local license should only have an “approved” designation. A “paid,” “complete for processing,” or any other designation other than “approved” should not qualify. **[0146]**

Response: CDFA rejects this comment. Business and Professions Code section 26055 prohibits licensing authorities from approving a license that would violate the provisions of any local ordinance or regulation. However, applicants are not required to submit a copy of a local license, permit, or other authorization. Local authorities will be notified of applications in their jurisdictions and have the opportunity to confirm whether an applicant is in compliance with local regulations or inform the Department an applicant is not in compliance. Accepting this comment would restrict local jurisdictions’ authority to confirm compliance with their local regulations as they see fit and could lead to undue application/license denial in circumstances where local authorities are processing applications or updating regulations. Restricting the authority of local jurisdictions’ ability to adequately “approve” compliance with their regulations/ordinances is unreasonable, is not within the Department’s authority, and would not foster a prosperous relationship with local jurisdictions.

Section 8111. Priority Application Review.

Comment: Give priority to certified organic farmers applying for a license. **[0400; 0401]**

Response: CDFA has decided not to accommodate this comment. This section gives priority review to applicants that can demonstrate their commercial cannabis business was in compliance with the Compassionate Use Act before September 1, 2016 and establishes what evidence may demonstrate such compliance. This section is added to clarify the statutory provisions in Business and Professions Code section 26054.2, subdivision (a) and ensure that the Department consistently provides priority review to applicants that can demonstrate they qualify.

Comment: To section 8111 add: "...the applicant is an applicant or licensee participating in an equity program where eligibility has been defined by a local jurisdiction." [0596]

Response: CDFA has decided not to accommodate this comment. Business and Professions Code section 26054.2, subdivision (a) allows for the Department to give priority to applicants that can demonstrate to the authority's satisfaction that the applicant operated in compliance with the Compassionate Use Act of 1996 and its implementing laws before September 1, 2016. It is not within the Department's authority to expand this section to include the equity programs of local jurisdictions.

Section 8112. Annual License Application Review for Completeness.

Comment: Recommend the Department amend the regulations to require the licensing authority to notify the contact for the local jurisdiction, in addition to the applicant, regarding completeness of an application. [0322]

Response: CDFA disagrees with this comment as it is unnecessary. The local jurisdiction can check the status of an application at any time.

Section 8115. Notification and Ground for Denial of License; Petition for Reconsideration.

Comment: Add a subdivision (b)(5) to state: "The applicant has violated any labor standards within the last three years." [0322]

Response: CDFA rejects this comment. The Department regulations require descriptions of labor standard violations amongst other disclosures for each individual owner within three years immediately preceding the application in section 8102, subdivision (i)(15) of the proposed regulations. The Department will use this information to determine fitness for licensure. Including this information in section 8115 as suggested could automatically exclude applicants from licensure, without offering applicants a fair opportunity to disclose the incident and provide any evidence in support of the applicant's good faith.

Comment: Any licensee who denies CDFA access to their business premises should have their licenses subject to denial pursuant to section 8115. [0035]

Response: CDFA partially agrees with this comment. The Department agrees with this comment in that the Department determined that denying staff access to a premises is a “Serious” violation which is subject to license suspension or revocation as outlined in section 8601 of the proposed regulations. The Department disagrees with the comment in that denying access should automatically be grounds for license denial without further investigation and therefore rejects the commenter’s suggestion.

Comment: Amend section 8115 to include notification of the local authorities if there is a denial of a license. [0322]

Response: CDFA disagrees with this comment. Per Business and Professions Code section 26058, upon the denial of any application for a license, the licensing authority shall notify the applicant in writing. The local jurisdiction can check the status of an application at any time and notification upon denial is unnecessary.

ARTICLE 3. CULTIVATION LICENSE FEES AND REQUIREMENTS

Section 8200. Annual License Fees.

Comment: Consider creating a more equitable license fee structure that is based on production and not cultivation practices. Suggest a base rate and additional fee based on actual production. The Department needs to reduce costs to enter the marketplace for small farmers. [0145; 0152; 0207; 0307; 0326; 0357; 0363; 4H.29]

Response: CDFA has decided not to accommodate this comment. Annual license fees were added to the regulations to specify the statutory provisions of Business and Professions section 26180, which requires the Department to scale its fees. How CDFA determined its fee structure is explained in the Initial Statement of Reasons.

Comment: Believe the fee structures are too high and do not take into account the social equity component. Under Article 3, section 8200, even a social equity applicant has the same fee structure. [2H.4]

Response: CDFA has decided not to accommodate this comment. Annual license fees were added to the regulations to specify the statutory provisions of Business and Professions section 26180, which requires the Department to scale its fees. How CDFA determined its fee structure is explained in the Initial Statement of Reasons.

Comment: CDFA should develop and implement a statewide equity program to reduce the burden of low income and marginalized individuals to establish and grow cannabis businesses. [0594]

Response: CDFA rejects this comment. The Department does not have the statutory authority to implement a program as suggested by the comment.

Comment: CDFA's reasoning in its Initial Statement or Reasons for charging higher fees to farmers that use light deprivation is that light deprivation enables multiple harvests per harvest. While true in some cases, this reasoning doesn't consider the many situations in which farmers utilize light deprivation while only completing one harvest per year. Triggering early flowering with light deprivation can be essential in response to environmental conditions such as water scarcity and late-season fog and can also enable earlier harvests to meet market demand when supply is low. With track-and-trace in effect, CDFA will be able to easily verify whether a cultivator is completing multiple harvests per year. [0036; 0045; 0047; 0049; 0091; 0093; 0115; 0125; 0127; 0149; 0159; 0162; 0164; 0184; 0186; 0190; 0193; 0194; 0197; 0199; 0200; 0203; 0205; 0207; 0208; 0210; 0213; 0214; 0216; 0220; 0222; 0223; 0225; 0228; 0229; 0232; 0234; 0235; 0238; 0240; 0241; 0243; 0246; 0248; 0250; 0251; 0256; 0258; 0270; 0281; 0283; 0289; 0299; 0303; 0307; 0317; 0324; 0326; 0329; 0337; 0343; 0345; 0349; 0350; 0358; 0368; 0371; 0381; 0382; 0383; 0402; 0403; 0416; 0429; 0433; 0435; 0438; 0452; 0462; 0472; 0473; 0484; 0485; 0496; 0501; 0502; 0513; 0523; 0534; 0543; 0551; 0556; 0557; 0561; 0562; 0563; 0564; 0579; 0587; 0599]

Response: CDFA has decided not to accommodate this comment. Light deprivation is included in the proposed definition of mixed-light cultivation because light deprivation is an artificial means of manipulating the natural growing cycle of cannabis resulting in the potential of multiple harvests annually. This differentiation is important in establishing appropriately scaled licensing fees and for the Department to ensure appropriate resources are available to ensure compliance at sites with potential for multiple harvests. Accordingly, use of light deprivation is considered mixed-light cultivation and requires the fees associated with the Mixed-light Tier I license.

Comment: The calculations in the licensing fee structure (section 8200(d)) are incorrect. The algorithm begins with the structure of each category staying in the same order – outdoor, mixed-light tier 1, mixed-light tier 2, and then indoor. Specialty Cottage has an error in the order. If the application fees are based on a formula, then the fees should all abide by this calculation. **[0310; 0311; 0328; 0398; 0506; 0599; 0604]**

Response: CDFA disagrees with this comment. The total license fee for each cultivation license type is calculated by multiplying the estimated cost per pound and the estimated average annual production (in pounds) of that license type. License fees for nursery and processor license types are equal to the share of Program budget allocated to nursery and processor license fees divided by the estimated number of nurseries and processors, respectively.

Comment: Request the Department charge the lowest annual fee tier for cultivators who use no artificial light and only complete one harvest a year. Lowering annual fees for farmers who only complete a single harvest a year would decrease barriers to entry for small farmers who lack access to capital and do not qualify for traditional small business loans. **[0036; 0045; 0047; 0049; 0091; 0093; 0115; 0119; 0125; 0127; 0149; 0159; 0162; 0164; 0177; 0184; 0186; 0190; 0193; 0194; 0197; 0199; 0200; 0203; 0205; 0207; 0208; 0210; 0213; 0214; 0216; 0220; 0222; 0223; 0225; 0228; 0229; 0232; 0234; 0235; 0238; 0240; 0241; 0243; 0246; 0248; 0250; 0251; 0256; 0258; 0270; 0280; 0281; 0283; 0289; 0303; 0317; 0324;**

0326; 0329; 0337; 0343; 0345; 0349; 0350; 0358; 0368; 0371; 0375; 0381; 0382; 0383; 0391; 0402; 0403; 0416; 0429; 0433; 0435; 0438; 0441; 0452; 0462; 0472; 0473; 0475; 0477; 0484; 0485; 0496; 0501; 0502; 0513; 0523; 0534; 0543; 0551; 0556; 0559; 0561; 0562; 0563; 0564; 0579; 0582; 0587]

Response: CDFA rejects this comment. Business and Professions Code section 26180, subdivision (c) establishes that all license fees must be scaled based on the size of the business. As a result, license size (not only cultivation method) played a role in determining fees. Also, it is not feasible for the Department to track and enforce the number or harvests a cultivator produces and would be impracticable for the Department to base license fees on the number of harvests produced. The total license fee for each cultivator license type was calculated by multiplying the estimated cost per pound and the estimated average annual production (in pounds) of that cultivator type.

Comment: Recommend that the Department not require an entity to pay a license fee for square footage not allowed by the local jurisdiction. This is specifically in reference to local jurisdictions which consider mixed-light without the use of artificial light to be outdoor cultivation while State licensing does not. If a site is made up of 1,500-sf of outdoor and 8,500-sf light deprivation cultivation (with no use of artificial light), a Small Tier-1 Mixed Light License and a Specialty Cottage Outdoor Medical License is needed. This leads to confusion in the total allowed square-footage during a compliance inspection. The local jurisdiction limits the total square footage to 10,000-sf (and considers light deprivation with no artificial light to be outdoor cultivation), while the State held licenses allow for up to 12,500-sf of cultivation. The cultivator limits the cultivation canopy to 10,000-sf to be in compliance with the local jurisdiction. It would seem logical to allow the 1,500-ft of outdoor cultivation to be permitted under the State Small Tier-1 Mixed Light License (or Tier 0 if created for light deprivation with no use of artificial light), which has a higher annual license fee per square foot than Specialty Outdoor License fee per square foot, rather than requiring the entity to pay a license fee for square footage not allowed by the local jurisdiction. [0409]

Response: CDFA has decided not to accommodate this comment. Annual license fees were added to the regulations to specify the statutory provisions of Business and Professions section 26180, which requires the Department to scale its fees. How CDFA determined its fee structure is explained in the Initial Statement of Reasons.

Comment: Lumping light deprivation in with mixed light penalizes people who are trying to be more efficient and more ecologically sensitive while enhancing the productivity of their limited agricultural space. Since light deprivation techniques use zero electricity, there should not be an increased license cost. This results in an economic impact regarding mixed-light because the change of the annual license fee is not inconsequential. There is many thousands of dollars difference between one category, outdoor, and mixed light in terms of the annual license fee. **[0041; 0091; 0375; 0389; 1H.8]**

Response: CDFA rejects this comment. Light deprivation is included in the proposed definition of mixed-light cultivation because light deprivation is an artificial means of manipulating the natural growing cycle of cannabis resulting in the potential of multiple harvests annually. This differentiation is important in establishing appropriately scaled licensing fees and for the Department to ensure appropriate resources are available to ensure compliance at sites with potential for multiple harvests.

Comment: Charging the lowest annual fee tier for cultivators who use no artificial light would be the only solution for farmers that utilize light deprivation. **[0091; 0324; 0441]**

Response: CDFA has decided not to accommodate this comment. Light deprivation is included in the proposed definition of mixed-light cultivation because light deprivation is an artificial means of manipulating the natural growing cycle of cannabis resulting in the potential of multiple harvests annually. This differentiation is important in establishing appropriately scaled licensing fees and for the Department to ensure appropriate resources are available to ensure compliance at sites with potential for multiple harvests. Annual license fees were added to the regulations to specify the statutory provisions of Business and Professions section

26180, which requires the Department to scale its fees. How CDFA determined its fee structure is explained in the Initial Statement of Reasons.

Comment: The fees are much larger for mixed-light; a new category that is light deprivation without artificial light would better define the category and save the cultivator money on fees. The Department should consider not establishing fees any higher than an outdoor cultivator with the same canopy area. The next higher fee should be a cultivator who is utilizing supplemental light. **[0285; 0307]**

Response: CDFA has decided not to accommodate this comment. Light deprivation is included in the proposed definition of mixed-light cultivation because light deprivation is an artificial means of manipulating the natural growing cycle of cannabis resulting in the potential of multiple harvests annually. This differentiation is important in establishing appropriately scaled licensing fees and for the Department to ensure appropriate resources are available to ensure compliance at sites with potential for multiple harvests. Annual license fees were added to the regulations to specify the statutory provisions of Business and Professions section 26180, which requires the Department to scale its fees. How CDFA determined its fee structure is explained in the Initial Statement of Reasons.

Comment: The proposed fee structure for processing makes this license unobtainable for small farmers. License fees are too high in general; reduce fees. **[0090; 0091; 0280; 0353; 0434; 0535; 0556; 0569; 0593; 1H.37; 1H.43; 1H.47; 1H.55; 4H.9]**

Response: CDFA disagrees with this comment. The Department used cannabis market assumptions from its Standardized Regulatory Impact Assessment to determine the application fee for each type of license necessary to cover the costs of the Program. Application fees for cultivator license types were calculated based on the total estimated production of cannabis in the market. The cost of application fees per pound of cannabis is equal to the share of Program budget allocated to cultivation applications fees divided by the estimated total market quantity. Annual License Fees were added to the regulations to specify the statutory provisions of Business and Professions section 26180, which requires the

Department to scale its fees. How CDFA determined its fee structure is explained in the Initial Statement of Reasons.

Comment: Most small farmers cannot afford the current proposed fee for a Processor license plus the application fee. Create a streamlined category of Processor for self-processing of product grown at different locations by the same licensee if that licensee has less than 22,000 square feet of canopy across all licensed premises for which the Self-processor license is applied for. **[0127]**

Response: CDFA had decided not to accommodate this comment. The Department does not have enough information to create this streamlined category at this time. The Department would need to determine how many potential licensees may be impacted by the proposed new license type to adequately complete its economic impact assessment.

Comment: Cottage level Processors (for others) cannot afford high fees. Those that don't self-process are faced with very high Processor License fees. Many rural areas have a community processor that does not want to become a large-scale processor but has the appropriate facilities for a small community. The Department should allow Cottage Level Processor Licenses. **[0127]**

Response: CDFA has decided not to accommodate this comment because the Department does not have enough information to create this type of license at this time. The Department would need to know how many potential licensees may be impacted by the proposed new license type to adequately complete its economic impact assessment.

Comment: Regarding section 8200(r) and section 8201(f), the license fee for processing is excessive for farmers doing "self" processing off-site; recommend adding a license tier for "self" processors. This would be similar to the "Self-Distributor Transport" license tier the BCC created for farmers doing transport for their own operations. **[0091; 0280; 0324; 0375; 0391; 0477; 0550; 0551; 0559; 0600]**

Response: CDFA had decided not to accommodate this comment. The Department does not have enough information to create this streamlined category at this time. The Department would need to know how many potential licensees may be impacted by the proposed new license type to adequately complete its economic impact assessment.

Comment: Amend the regulations to create licensing tiers for nurseries and processors. [0119; 0308; 0416; 0506; 0259; 0259; 0310; 0328; 0398; 0599; 0604; 4H.29]

Response: CDFA had decided not to accommodate this comment. The Department does not have enough information to create this streamlined category at this time. The Department would need to know how many potential licensees may be impacted by the proposed new license types to adequately complete its economic impact assessment.

Comment: Smaller Nurseries should not have to pay such a high license fee. Create a Cottage nursery license at 5,000 square feet maximum. [0127; 0310; 0311; 0328; 0398; 0506; 0604]

Response: CDFA has decided not to accommodate this comment because the Department does not have enough information to create this type of license at this time. The Department would need to determine how many potential cottage nurseries exist and would be impacted by the proposed new license type to adequately complete its economic impact assessment.

Comment: Scale fee by size of nursery by adding a specialty nursery license to a medium nursery license size; nursery license fees should be based on the size of the nursery or gross sales and not based on a flat fee. [0310; 0311; 0328; 0398; 0506; 0557; 0561; 0569; 0604]

Response: CDFA has decided not to accommodate this comment. Annual license fees were added to the regulations to specify the statutory provisions of Business and Professions section 26180, which requires the Department to scale its fees. How CDFA determined its fee structure is explained in the Initial Statement of Reasons. The Department does not have enough information to create this fee structure for nursery licenses at this time. The

Department would need to determine how many potential nursery licenses would be impacted and what the estimated gross sales for each nursery license were to adequately complete its economic impact assessment.

Comment: Authorize payment of fees in installments both before and after a license has been issued or on a deferred basis. [0596]

Response: CDFA disagrees with this comment. Deferring potential revenue is not possible to successfully implement the licensing program. Additionally, it is not reasonable for the Department or licensees to pay in installments because it would interrupt the licensee from continuing its operation should it fail to make payments.

Section 8201. Cultivation License Types.

Comment: Licensing tiers should be tied to the amount of production, providing a more equitable situation for growers and cultivators. [0173; 0329; 0551]

Response: CDFA has decided not to accommodate the comment. The licensing tiers are established by statute in Business and Professions code section 26061. Besides the addition of the processor license type, the Department cannot change the license types as the comment suggests. The Department is merely implementing statute.

Comment: Regarding specialty outdoor, or specialty mixed-light tier I, or small mixed-light tier I, are these supposed to be easy to understand and differentiate? [0556]

Response: Section 8201, subdivisions (a) through (d) of the proposed regulations define specialty cottage, specialty, small, and medium license types by canopy size and cultivation method (indoor, outdoor, mixed-light). The Department prepared these regulations pursuant to the standard and clarity provided in Government Code section 11349 and the plain English requirements of Government Code sections 11342.580 and 11346.2(a)(1). The regulations are written to be easily understood by the persons that will use them. Additionally, these proposed

regulations merely restate the language in Business and Professions Code section 26061. The Department is merely implementing the statute.

Comment: Regarding section 8201(a)(1), the limitation of this license to 25 plants severely restricts eligibility for this level of licensure. **[0572]**

Response: CDFA has decided not to accommodate this comment because Business and Professions Code section 26061, subdivision (a)(4) sets the parameters for “specialty cottage” licenses, including that “specialty cottage outdoor” is an outdoor cultivation site with up to 25 mature plants. The Department lacks the authority to change statute and is merely implementing statute in its proposed regulations.

Comment: Regarding section 8201(a)(1) and (b)(1), urge the Legislature to change the definition to include “or up to 2500 square feet” into the definition. **[0127; 0296; 0298; 0303; 0310; 0311; 0312; 0315; 0318; 0325; 0326; 0328; 0329; 0341; 0351; 0364; 0398; 0421; 0430; 0431; 0450; 0456; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0572; 0584; 0589; 0603; 0604; 4H.5]**

Response: CDFA has decided not to accommodate this comment. The Department lacks the authority to change statute. Business and Professions Code section 26061, subdivision (a)(4) defines “specialty cottage.” The Department regulations merely implement statute.

Comment: Regarding section 8201(a)(1) and (b)(1), the plant count restriction for specialty outdoor was because small farmers would, often times, have other crops or flowers in the garden. The original definition of canopy was interpreted to mean the entire garden. Regulatory clarification changed that definition and therefore the plant limit should not apply. 2,500 or 5,000 sq. ft. of canopy should apply as it is with other types of cultivation. **[0136]**

Response: CDFA has decided not to accommodate this comment. The Department lacks the authority to change statute and Business and Professions Code section 26061, subdivision (a)(4) defines “specialty cottage.” The Department regulations merely implement statute.

Comment: Regarding section 8201(e), nursery licenses types are unique; aware of no other state that has issued specific rules in the supply chain of building out immature plants and seed stock. **[3H.11]**

Response: This comment does not make any suggestion related to the proposed regulations, so the Department is taking no action. No further response is required.

Comment: Citing the definition of “nursery” in section 8201(e), the definition does not encompass the full range of services and materials a cannabis nursery needs to offer. Revise the language to accommodate the storage of genetically related material and enlarge the definition to include plant and non-plant material which promote the health and preservation of cannabis plants. **[0259]**

Response: CDFA decided not to accommodate this comment. Business and Professions Code section 26001, subdivision (ap) does not prohibit this activity. There is no need to change the proposed regulations.

Comment: Regarding section 8201(e), modify to allow for both wholesale and retail sales. Nurseries rely on both wholesale and retail sales for their livelihood. As state regulations allow for private cultivation, it is reasonable and rational to specify that nurseries be allowed to provide supplies to both wholesale and retail customers. **[0508]**

Response: CDFA has decided not to accommodate this comment. In order for a licensed nursery to sell directly to a consumer, it will need a separate premises and a license for retail sale from the Bureau of Cannabis Control. A licensed nursery may engage in wholesale activities between licensed cultivators. Additionally, Business and Professions Code section 26053 allows commercial cannabis licensees to conduct business only with other commercial cannabis licensees unless otherwise specified. Nursery licensees have not been given such authorization by statute. The Department does not have the authority to allow for retail sales by nurseries and is merely implementing the statute.

Comment: Regarding section 8201(e), add nursery to cultivation license types. Mendocino is not allowing growers to get a nursery license unless they are on 10 acres or more. We are on less than 10 acres and would like to breed and sell our seeds and possible clones. Do not want strains to go extinct. **[0556]**

Response: CDFA has decided not to accommodate this comment. The definition of a nursery license may be found in Business and Professions Code section 26061, subdivision (a)(11). This definition has been further clarified in section 8201, subdivision (e) of the proposed regulations. Additionally, per Business and Professions Code section 26200, subdivision (a)(1), local jurisdictions may establish their own ordinances and resolutions.

Comment: Regarding section 8201(e), nurseries should have the ability to sell 12 plants or what a doctor's recommendation states. This provision update is needed as medical patients at times need specialty type clones and dispensaries are not inclined to stock plants that the general public would not buy. **[0572]**

Response: CDFA disagrees with this comment. In order for a licensed nursery to sell directly to a consumer, it will need a separate premises (retail store front) and a license for retail sale from the Bureau of Cannabis Control. The Department does not have the authority to permit retail sales.

Comment: Do nurseries, which cultivate immature plants and mature plants for the production of seeds, have a size limit? If so, how is that calculated? **[0527]**

Response: The Department has not established a size limit for nurseries for the cultivation of mature plants for seed. However, Business and Professions Code section 26200, subdivision (a)(1) allows for local jurisdictions to create limits regarding size limits for nurseries.

Comment: Can a cannabis nursery also sell other plants? Many nursery operators rely on the sales of non-cannabis plants over the winter months to subsidize their general income and to maximize the potential found in the infrastructure they have developed. [0482; 0527; 0599]

Response: A cannabis nursery license type only authorizes the licensee to grow cannabis plants. If a cannabis nursery wishes to sell other plants besides cannabis, it will need to comply with any requirements necessary to operate a general nursery within California.

Comment: There does not appear to be a pathway for a licensed nursery to sell directly to the consumer. [0482; 0599]

Response: In order for a licensed nursery to sell directly to a consumer, it will need a separate premises and a license for retail sale from the Bureau of Cannabis Control.

Comment: Licensed nurseries should not be required to utilize a distributor in order to transport plants to other licensed entities. Young cannabis plants are incredibly perishable and cannot survive the timeline associated with a third-party transportation service to make it into the market. Nursery operators should be able to transport live plants directly to licensed cultivators and retailers without needing to seek additional licensing. Licensed cultivators should also be able to pick up and transport plants from a licensed nursery without additional licensing so long as a manifest is prepared and noted in the State's track-and-trace system. [0482; 0599]

Response: CDFA had decided not to accommodate this comment. The Department lacks the authority to allow a nursery licensee to self-distribute its own plants, per Business and Professions Code section 26012, subdivision (a)(1). The Bureau of Cannabis Control is the licensing authority responsible for issuing distribution licenses.

Comment: Regarding section 8201(f), CDFA should allow licensed cultivators to have more than one property licensed to have shared facilities between the two licensed premises. Licensed rural cultivators that have more than one farm, even if close proximity, must have

drying areas, storage areas, processing areas, and other cultivation related facilities on each property, creating an unnecessary burden. [0310; 0311; 0328; 0398; 0506; 0600; 0604]

Response: CDFA rejects this comment. The Department clarified shareable areas in proposed regulation sections 8105 and 8106. Processing areas are not shareable amongst multiple licenses. A licensee with multiple licenses may obtain a Processing license issued by the Department to process cannabis from multiple licenses. Allowing a licensee to process cannabis from multiple licenses without a processor license would be unfair to licensed processors and potentially create track-and-trace issues.

Comment: Regarding section 8201(f), if a business has a city issued processing permit (which as I understand the state has not designated yet) and is providing strictly processing services and returning product to the cultivator, can this business operate without a state permit? [0009]

Response: The Department disagrees with the comment. The Department did create a processor license type. A state license is required for anyone engaged in commercial cannabis activity

Comment: Regarding section 8201(f), if a processing permit is not needed in order to provide processing services and returning product to the cultivator, what permit should the business apply for? [0009]

Response: The Department disagrees with the comment. The Department did create a processor license type. A state license is required for anyone engaged in commercial cannabis activity.

Comment: Regarding section 8201(f), why would the business need a cultivation permit in addition to some sort of processing license to provide processing services and to return product to the cultivator? [0009]

Response: The Department disagrees with the comment. The Department did create a processor license type. The Department does not require an additional state license besides the processor license. A state license is required for anyone engaged in commercial cannabis activity.

Comment: Requiring cultivators who outsource packaging to use a Processor is unfair and disproportionately impacts cultivators that process in-house. Any cultivator who outsources packaging and wants to make prerolls is now forced to send its products to a separate Processor (and therefore two other operators rather than one (Distributor)). This decreases supply chain efficiency by adding an extra stop and adds tremendous costs to cultivators for both transportation costs and now for new “rolling” fees for no reason. [0176]

Response: The Department disagrees with the comment. The Department does not require cultivators to utilize a processor. A cultivator may designate a processing and packaging area for Specialty Cottage, Specialty, Small, and Medium licenses per section 8106, subdivisions (a)(1)(D) and (E).

Comment: To section 8201(f), add a sentence that reads: “To process the product is to package, label, and store.” This is because the definitions of “cultivation” and “cultivation site” need to be consistent with other regulatory language mentioned that implies and directly states language to include packaging, labeling, and storage in cultivation licensing definitions. [0309; 0333; 0336]

Response: The Department rejects this comment. The definition of “cultivation” and “cultivation site” have been defined by the Legislature in Business and Professions Code section 26001. The Department regulations are merely implementing this statute. Further, proposed regulation section 8201, subdivision (f) states that a processor is a cultivation site that conducts “only” those activities listed. The Department maintains this section is consistent, clear, and reasonable.

Comment: Regarding section 8201(f), allow all cannabis cultivated on one property to be processed together in one location on the property without needing a processor license. Processor license types should be for those processing materials from other farms, not for those processing their own material from their own farm. [0388; 0506]

Response: CDFA disagrees with this comment. The definition of “premises,” in Business and Professions Code section 26001(ap), allows for a premises to be occupied by only one licensee. If cannabis from multiple licenses is being processed in one area without a processor license, the premises where processing is occurring is no longer contiguous; thus, a processor license is needed when processing cannabis from multiple licenses.

Comment: Regarding section 8201(f), the new language lacks clarity and appears to only allow processors the ability to trim, dry, cure, grade, package, and label cannabis and nonmanufactured cannabis products. The language does not appear to allow processors the ability to create nonmanufactured products such as prerolls and kief, yet both prerolls and kief are considered nonmanufactured products under CDFA regulations. Suggest the following language change in order to provide greater clarity of the activities allowed under the processor license.

(f): “Processor” is a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis and the packaging, labeling, or production of nonmanufactured cannabis products. Processors are prohibited from cultivating live cannabis plants. [0482; 0551]

Response: The Department rejects this comment. “Processor” is defined as a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis and nonmanufactured cannabis products. “Processing” is defined as activities performed at cultivation sites that do not include planting or growing cannabis. This clarifies what activities can occur on a licensed processor premises and no further modification is necessary.

Comment: Regarding section 8201(f), amend to read, "...is a cultivation site that conducts only harvesting, trimming, drying, curing, grading, sanitization, rolling, packaging, or labeling of cannabis and nonmanufactured cannabis products." [0524; 0573]

Response: CDFA disagrees with this comment. The Department determined the current language of "trimming, drying, curing, grading, packing, or labeling" sufficiently and specifically captures cannabis processing activities. The addition of the word "harvesting" would be redundant and lack specificity toward authorized processing activities. Additional suggested language of "sanitizing" is outside the scope of the Department and would be within the scope of cannabis activities licensed by other state agencies. It is not necessary to add rolling because it is encompassed by packaging of nonmanufactured cannabis, which includes pre-rolls.

Comment: Section 8201(f) lacks the inclusion of allowing activities related to the processing of nonmanufactured cannabis products. Include rolling, grinding, and mechanized processing in the definition. [0529; 4H.30; 4H.32]

Response: CDFA does not agree with the comment and determined it unnecessary to specify how processing activities would occur. Business and Professions Code section 26012, subdivision (a)(3) provides the California Department of Public Health the authority over manufactured products. To the extent processing activities are not considered manufacturing, they can be done with a processor license issued by the Department.

Comment: Regarding section 8201(f), amend to read: "Processor" is a cultivation site that conducts only ~~trimming, drying, curing, grading, packaging, or labeling of cannabis and nonmanufactured cannabis products~~ processing." [0547]

Response: CDFA disagrees with this comment. The Department determined that the existing language provides necessary clarity as to permitted activities under a "Processor" license.

Comment: Regarding section 8201(f), add pre-manufacturing processing so grinding can be handled by a manufacturing facility. **[4H.33]**

Response: CDFA has decided not to accommodate this comment. The comment does not provide enough specificity for the Department take action. Further, the Department lacks the authority to implement or create manufacturing licenses. The California Department of Public Health has authority over manufacturing licenses, per Business and Professions Code section 26012, subdivision (a)(3). To the extent processing activities are not considered manufacturing, they can be done with a processor license issued by the Department.

Comment: Allow a seed sellers permit. **[0434]**

Response: CDFA has decided not to accommodate this comment. Only licensed nurseries may sell immature plants and seeds as established by statute in Business and Professions Code section 26001, subdivision (aj). The Department regulations merely implement statute.

Comment: Seeds are important to cultivation and should not require a licensing permit; alternatively, requests small seed licenses for small craft growers to sell seeds. **[0385; 4H.12]**

Response: CDFA has decided not to accommodate this comment. Only licensed nurseries may sell seeds as established by statute in Business and Professions Code section 26001, subdivision (aj). The Department does not have authority to change this requirement and its regulations merely implement this statute.

Comment: Creating a cottage nursery license would allow traditional seed breeders to come into the regulated market. **[0506; 4H.6]**

Response: CDFA disagrees with this comment. Only licensed nurseries may sell seeds as established by statute in Business and Professions Code section 26001, subdivision (aj). The Department regulations merely implement this statute.

Comment: To save the small farmer's viability in the regulated, commercial marketplace, all cannabis cultivation licenses for up to 10,000 square feet shall include a number of plant OR number of square footage in the definition. **[0471]**

Response: CDFA has decided not to accommodate this comment. The Department lacks the authority to change the definitions of cultivation license types. All cultivation license types are defined by statute in Business and Professions Code section 26061, subdivision (a). The Department regulations merely implement this statute.

Comment: To save the small farmer's viability in the regulated, commercial marketplace, all cultivation licenses up to 10,000 square feet should be allowed to self-distribute without a Bureau of Cannabis Control specific permit. **[0471]**

Response: CDFA has decided not to accommodate this comment. The Department lacks the authority to allow a cultivation licensee to self-distribute its own harvested cannabis, per Business and Professions Code section 26012, subdivision (a)(1). The Bureau of Cannabis Control has the licensing authority over distribution.

Comment: To save the small farmer's viability in the regulated, commercial marketplace, no licensee, entity, or owner may hold more than two cultivation licenses. **[0471]**

Response: CDFA has decided not to accommodate this comment. The Department does not have the authority to limit the number of other cultivation license types issued except for medium licenses as required by Business and Professions Code section 26061, subdivision (a). The Department is merely implementing statute.

Comment: Citing section 8201, how are all these huge grows happening? **[0556]**

Response: This comment is not related to the proposed regulations. No further response is required.

Comment: Citing section 8201, states that “different sizes should have different levels of fines.” Work with growers if the license type is incorrect. [0556]

Response: CDFA has decided not to accommodate this comment. Fines are determined by the severity of the violation, not by the size or type of license, which is set forth in section 8601 of the proposed regulations. Determination of fines on this basis is consistent with other Department regulations. With respect to determining the correct license type, during application review, the Department will verify the applicant has selected the correct license type. No change to the regulations is necessary as a result of this comment.

Comment: Cultivation licensees should have the ability to produce hash and resin products. [4H.45]

Response: CDFA has decided not to accommodate this comment because the Department lacks the authority to allow cultivation licensees to produce hash or resin products. Business and Professions Code section 26001, subdivision (ag) defines manufacturing to mean, “...compound, blend, extract, infuse, or otherwise make a or prepare a cannabis product.” The California Department of Public Health is responsible for licensing cannabis manufacturers.

Comment: A huge issue is that many folks in Trinity County have an outdoor license from the county yet are forced to apply for a mixed-light State license. This means that the county issued license types will not match the license from the state and the cultivator will be found to be out of compliance upon inspection. [4H.53]

Response: CDFA disagrees with this comment. Per Business and Professions Code section 26200, subdivision (a)(1), local jurisdictions may establish their own ordinances and resolutions. There is no requirement in statute or regulations for the state and local license types to match.

Comment: Regarding section 8201, add the pre-manufacturing processing so that grinding can be handled for a manufacturing facility like ours; and please add a post-manufacturing packaging and labeling of manufactured goods. **[4H.33]**

Response: CDFA rejects this comment because the Department does not have authority over manufacturing and manufactured cannabis products, which is the responsibility of the Department of Public Health.

Section 8202. General License Requirements

Comment: Regarding section 8202(b), request an exemption for operators so they can use the same premises for drying, processing, harvest storage, and immature plant areas where a nursery or cultivator licensee holds multiple licenses on the same parcel. **[0127; 0296; 0310; 0311; 0328; 0398; 0506; 0604]**

Response: CDFA has decided not to accommodate this comment. The track-and-trace system requires documentation of movement of cannabis and cannabis products between different licensed premises. Additionally, the definition of “premises,” in Business and Professions Code section 26001, subdivision (ap), allows for a premises to be occupied by only one licensee. If multiple licenses are being processed in one area, without a processor license, the premises where processing is occurring is no longer contiguous; thus, a processor license is needed when processing cannabis from multiple licenses.

Comment: Regarding section 8202(b), allow small cultivators and nurseries, defined by gross receipts or cumulative cultivation area, to share a single premises for drying, processing, harvest storage, and immature plant areas in cases where they hold multiple licenses. **[0308]**

Response: CDFA has decided not to accommodate. The track-and-trace system requires documentation of movement of cannabis and cannabis products between different licensed premises. Additionally, the definition of “premises,” in Business and Professions Code section 26001, subdivision (ap), allows for a premises to be occupied by only one licensee. If multiple licenses are being processed in one area, without a processor license, the premises where

processing is occurring is no longer contiguous; thus, a processor license is needed when processing cannabis from multiple licenses.

Comment: Section 8202(d) is harsh. [0556]

Response: The Department disagrees with this comment and the commenter failed to offer any suggestion as to amend section 8202, subdivision (d). Because the comment lacks specificity the Department cannot take any action.

Comment: Regarding section 8202(e), request that the Department state exactly where licenses should be displayed. [0556]

Response: CDFA has decided not to accommodate this comment. Given the variety of areas in which cultivation may occur, the Department determined this suggestion is not feasible and the licensee should be allowed flexibility regarding where to display its license.

Comment: Regarding section 8202(g) and outdoor licenses being prohibited from using light deprivation, this is very unfair to outdoor growers. One can easily use light deprivation techniques without using any light whatsoever to accelerate harvest. Please consider doing away with subdivision (g) or providing a waiver of some sort. [0001; 0034; 0432; 0466; 0474; 0524; 0573; 0599]

Response: CDFA disagrees with this comment. Section 8202, subdivision (g) of the proposed regulations is necessary for providing clarity and enforceability of the regulations which prohibit outdoor cultivation license types from using light deprivation. The Department determined light deprivation cultivation methods can produce similar numbers of harvests per year as methods using low wattage lighting and as such should be characterized as mixed-light cultivation.

Comment: Regarding section 8202(g), if a cultivator only uses light deprivation as covering to reduce light in order to create earlier budding, the cultivator should only be charged Outdoor license type fees. [0001]

Response: CDFA disagrees with this comment. Section 8202, subdivision (g) of the proposed regulations is necessary for providing clarity and enforceability of the regulations which prohibit outdoor cultivation license types from using light deprivation. The Department determined light deprivation cultivation methods can produce similar numbers of harvests per year as methods using low wattage lighting and as such should be characterized as mixed-light cultivation. The inclusion of light deprivation in the definition of mixed-light cultivation is necessary to establish appropriately scaled licensing fees amongst licensees.

Comment: Regarding section 8202(g), including a prohibition on light deprivation for outdoor cultivation projects is unnecessarily burdensome and less effective than simply basing license fees on the actuality of multiple harvests, rather than mere speculation. CDFA should focus on regulation cannabis cultivation without dictating the methods by which a farmer may cultivate the cannabis and bring the existing seasonal farmer into compliance. **[0485; 0599]**

Response: CDFA disagrees with this comment. Section 8202, subdivision (g) of the proposed regulations is necessary for providing clarity and enforceability of the regulations which prohibit outdoor cultivation license types from using light deprivation. The Department determined light deprivation cultivation methods can produce similar numbers of harvests per year as methods using low wattage lighting and as such should be characterized as mixed-light cultivation. The inclusion of light deprivation in the definition of mixed-light cultivation is necessary to establish appropriately scaled licensing fees amongst licensees.

Comment: Are outdoor licenses are prohibited from using light deprivation? **[0556]**

Response: Yes, outdoor license types do not include the ability to use light deprivation.

Comment: In section 8202, propose a new subdivision (h) to avoid confusion and enforcement difficulties that might arise if licensees (or others) were permitted to engage in unlicensed (e.g., primary caregiver) cultivation on the same property as licensed cultivation. **[0405]**

Response: CDFA disagrees with this comment. The property diagram must specify what the property is being used for besides the licensed activity, which would include use of the property for non-commercial cannabis activities. Changes to the regulations are not necessary.

Section 8203. Renewal of License.

Comment: Regarding section 8203(a), why must someone apply for another license, even if the current one is not expired? Is this at the discretion of the Department? This does not make sense. [0556]

Response: CDFA disagrees with the comment. Section 8203, subdivision (a) of the proposed regulations establishes that license renewals must be submitted at least 30 days before a license expires as is typical and consistent with other state applications and licensure programs. This also ensures that the Department has sufficient time to process the renewal before the license expires and that the business does not violate state law by operating without a valid license.

Comment: Regarding section 8203(b), to avoid circumvention of this prohibition and ensure that only cannabis produced by active licensees is introduced into the legal market, this provision should be clarified to prohibit any transfer of cannabis from the (formerly) licensed premises. [0405]

Response: CDFA disagrees with this comment. Section 8203, subdivision (b) of the proposed regulations clarifies that if a renewal application is received prior to the expiration date, the licensee is allowed to continue to operate until the renewal application has been approved, unless it is denied. The Department determined it is reasonable to allow the applicant to continue operations because there could potentially be an unreasonable impact on the licensee's business when it would otherwise have a valid license. Any commercial cannabis business that is operating without a state license is prohibited by law.

Comment: To section 8203(c), add a subdivision that reads the following: “If no changes, or a reduction in cultivation license size is submitted at renewal with no changes, the fee will be 50% of a typical renewal license fee.” As no renewals can take place for many months, this section can easily be revised. A renewal form can ask if there have been any changes to the cultivation plan/site since the original license was issued. If yes, then CDFA can require a renewal application that includes all the changes in detail. If no changes have occurred, the renewal process can be streamlined, cheaper, and verified by an inspector. **[0136; 0310; 0311; 0328; 0398; 0506; 0604]**

Response: CDFA disagrees with this comment. The Department has determined the proposed license fees are necessary to implement the licensing program. The annual license fees paid at renewal are based on the cost of implementing the program and enforcing track and trace requirements. The license fee includes the costs associated with plant tags and unique identifiers.

Comment: Regarding section 8203(c), make one late fee that applies to all licensees that is actually requisite with whatever effect a late renewal application might have. **[0321]**

Response: CDFA disagrees with this comment. Section 8203, subdivision (c) of the proposed regulations establishes a penalty of 50 percent of the application fee for license renewals received up to 30 days after the license expires. The 50 percent penalty fee was determined to be the amount necessary to offset costs incurred to the Department as a result of requiring an expedited review.

Comment: Regarding section 8203(c), 50 percent is a large late fee. Does the Department think this is fair and just? **[0556]**

Response: CDFA disagrees with the comment. Section 8203, subdivision (c) of the proposed regulations establishes a penalty of 50 percent of the application fee for license renewals received up to 30 days after the license expires. The 50 percent penalty fee was determined to

be the amount necessary to offset costs incurred to the Department as a result of requiring an expedited review.

Comment: Regarding section 8203(e), an applicant may not be fully compliant with the 12-month term of the initial annual license and may need more time or need to sell product to finance required compliance conditions. **[0506]**

Response: CDFA has decided not to accommodate this comment. The Department has determined the proposed fees are necessary to implement the licensing program. To defer potential revenue is not possible to successfully implement the licensing program.

Comment: Citing section 8203(e)(4), the renewal license fee should not be the same as the annual license fee and instead be at a reduced rate. **[0310; 0311; 0328; 0398; 0506; 0604; 4H.6]**

Response: CDFA disagrees with this comment. The Department has determined the proposed fees are necessary to implement the licensing program. The annual license fees paid at renewal are based on the cost of implementing the program and enforcing track and trace requirements. The license fee includes the costs associated with plant tags and unique identifiers.

Comment: Regarding section 8203(e)(6), remove all mention of A and M designation for cultivation licenses. **[0310; 0311; 0328; 0398; 0506; 0604]**

Response: CDFA has decided not to accommodate this comment. Business and Professions Code section 26050, subdivision (b) requires all licenses to bear a clear designation indicating whether the license is for commercial adult-use cannabis activity as distinct from commercial medicinal cannabis activity by prominently affixing an “A” or “M,” respectively. The Department regulations merely implement statute.

Comment: To section 8203, add a subdivision (e)(9) that reads: “An applicant in good standing may request an ‘opt out’ 12-month period to not cultivate. Once in a four-year period, without losing the approved standing of their application and license process. The licensee must provide CDFA an ‘opt-out’ request not fewer than 30 days prior to the expiration of license status.” Because myriad requirements are imposed by various state and local jurisdictions, an applicant may not be fully compliant within the 12-month term of the initial annual license. An applicant may need more time or need to sell product to finance required compliance conditions. **[0136; 0310; 0311; 0328; 0398; 0506; 0604]**

Response: CDFA has decided not to accommodate this comment. The Department does not have enough information to create this process at this time.

Comment: Regarding section 8203(f), the Department should permit licensees to request a license designation change between harvests, assuming the licensee has proper local authorization and properly notifies the Department of its request. **[0177]**

Response: CDFA has decided not to accommodate this comment. License designation changes are allowed only at the point of renewal. The license designation is associated with the license number and changing the license designation changes the license number. As a result, it is unfeasible to change the license designation prior to renewal because of track-and-trace requirements. The license number is associated with each unique identifier in the track and trace system. To change the license number would cause all of the existing inventory to be officially transferred to the new license. This would be burdensome to licensees and Department staff verifying track and trace information. Therefore, the Department determined changing the designation once a year would be the least burdensome and still would allow for the cultivators to change their designation.

Comment: Regarding section 8203(f), the process for changing a license designation should include verification that the requested designation complies with local ordinances, consistent with the verification process used in connection with the initial application for licensure. **[0405]**

Response: CDFA agrees with this comment as this is already part of the Department's procedures. Per Business and Professions Code section 26055, subdivision (g), the Department must notify the local jurisdiction of the receipt of an application for commercial cannabis activities. This includes renewal of a license.

Comment: Regarding section 8203(f)(1), seeking clarification on the purpose and intention of this language and would like to express concern about the limitation that licensees may only change only one (1) A-license to an M-license, or only (1) M-license to an A-license. **[0482; 0599]**

Response: CDFA has decided not to accommodate this comment. Section 8203, subdivision (f) of the proposed regulations specifies how a licensee may change from an A-license to an M-license, or vice versa, at the point of renewal. This is necessary to clarify when a licensee may change A or M designations, so the Department can ensure the appropriate information is input into the track and trace system. When a licensee changes from an A or M designation, the license number changes and all existing inventory must be transferred accurately in the track and trace system. This activity will be burdensome to licensees and Department staff responsible for verifying track and trace information. Because of this, the Department has limited the ability to switch designations to the point of renewal.

Comment: Regarding section 8203(f)(2), since there is already the ability for A and M licensees to conduct business with each other, why is there a restriction on the number of licenses a licensee can transfer from A to M? **[0482; 0599]**

Response: CDFA disagrees with the comment. Business and Professions Code section 26050, subdivision (b) requires all licenses to bear a clear designation indicating whether the license is for commercial adult-use cannabis activity as distinct from commercial medicinal cannabis activity by prominently affixing an "A" or M," respectively. The Department regulations are merely implementing statute.

Comment: Regarding section 8203(f)(2), remove all mention of A and M designation for cultivation licenses so that the subdivision reads: “License designation changes will be considered only if the annual license premises for which the change is being requested contains only one cultivation license.” [0310; 0311; 0328; 0398; 0506; 0604]

Response: CDFA has decided not to accommodate this comment. Business and Professions Code section 26050, subdivision (b) requires all licenses to bear a clear designation indicating whether the license is for commercial adult-use cannabis activity as distinct from commercial medicinal cannabis activity by prominently affixing an “A” or “M,” respectively. The Department regulations merely implement statute.

Comment: Regarding section 8203(f)(3), isn't the tagging the responsibility of the licensee? [0482; 0599]

Response: Yes, section 8203, subdivision (f)(3) of the proposed regulation states that once the request for a license designation change has been approved, the licensee is required to order, apply, and report applicable plant and package UIDs in accordance with the applicable process and procedures developed by the Department.

Comment: Regarding section 8203(f)(3), wouldn't a transfer from A to M require notation in the licensee's track-and-trace as well as the purchase of appropriate tags? [0482; 0599]

Response: CDFA acknowledges this comment. The comment is correct in that the licensee would be required to order, apply, and report applicable plant and package UIDs in accordance with proposed regulation section 8203, subdivision (f). However, UID costs are included in the licensing fee so applicants would not need to purchase additional tags.

Comment: Does section 8203(g) apply to new licenses after January 1, 2022, or just license renewals? [3H.6]

Response: Section 8203, subdivision (g) of the proposed regulations applies to all applications the Department receives after January 1, 2022, even if they are renewals.

Comment: Regarding section 8203(g), initiate data collection sooner than 2022, ideally 2019 or 2020. **[0313]**

Response: CDFA disagrees with this comment. The Department determined data collection would commence after January 1, 2022 in order to verify whether the cultivator is complying with California's standards for greenhouse gas emissions and to provide the cultivator an adequate amount of time to collect data to report to the Department.

Comment: Does section 8203(g) apply to new licenses applied for after January 1, 2022? **[0316]**

Response: Yes, this section applies to any application, including new licenses and renewals, the Department receives after January 1, 2022.

Comment: A reasonable way to ensure that licensing fees are appropriately scaled would be to create an "Outdoor Light Deprivation Tier." Alternatively, create a "Mixed-Light Tier 1 Reduced" tier with reduced licensing fees for light deprivation with no artificial lighting. **[0595]**

Response: CDFA has decided not to accommodate this comment. The Department determined light deprivation falls within the mixed-light tier I category. Light deprivation cultivation methods can produce similar numbers of harvests per year as methods using low wattage lighting and the two methods are commonly used simultaneously within the industry. The inclusion of light deprivation in the definition of mixed-light cultivation is necessary to establish appropriately scaled licensing fees amongst licensees.

Comment: Regarding section 8203(g), this is new language and should only apply to mixed-light tier 2 licensees, indoor licensees to nursery licensees who utilize more than six watts per square foot. Many outdoor and mixed-light tier 1 farmers use very little to no lighting in

association with their cultivation and processing activities. Additionally, many of these farmers utilize off-grid power production sources to ensure that battery banks maintain a minimum amount of charge during periods of overcast weather. **[0482; 0551; 0599]**

Response: CDFA disagrees with this comment. The Department determined the impact of indoor cultivation sites to the State's energy resources was potentially significant if cultivators were not held to the same standard of renewable energy use as other businesses in California. By requiring licensees to disclose their energy use, including that from renewable sources, the Department can verify they are complying with California's standards for greenhouse gas emissions and outdoor and mixed-light tier 1 licensees should not have any issues with this given they use little to no lighting in association with cultivation

Comment: Regarding section 8203(g), request that the Department recognize the energy challenges faced by farmers and establish a pathway for seasonal farmers to log the energy used in association with cultivation separately from residential purposes so that they only have to mitigate the cultivation related energy consumption and not residential use when operating under one comprehensive power system. **[0482; 0599]**

Response: CDFA decided not to accommodate this comment. The Department used renewable energy requirement standards equivalent to the State of California energy requirements for businesses. The Department is unable to differentiate between a business and a residential energy source.

Section 8204. Notification of License Information Change.

Comment: Section 8204(a)(5) and (b) are not clear with respect to whether a new application is required if there is a change of entity from a Mutual Benefit Corporation or a Cooperative to a for-profit corporation if the owners of the corporation were members of the Mutual Benefit Corporation or Cooperative. **[0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0351; 0364; 0398; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0572; 0603; 0604]**

Response: CDFA rejects this comment. As prescribed in section 8204, subdivision (b) of the proposed regulations, if the change in business entity type includes a change of ownership, then a new application is required. If the change in ownership does not affect the business entity type, new owners must provide notice to the Department of all information required under section 8102, subdivision (i).

Comment: Amend section 8204(b) to read: “Any change to the business entity type that includes any change of ownership also requires notifying the Department within ten (10) calendar days of the effective date of a proposed change of ownership.” [0023]

Response: CDFA rejects this comment to amend section 8204, subdivision (b) of the proposed regulations to require a notification to the Department for any change to the business entity type that includes any change of ownership. A change in ownership requires a new owner application and that application must be approved prior to that person being added to the license regardless of when the licensee notifies the Department.

Comment: Regarding section 8204(b), rather than require licensees to submit an entirely new application upon a change of entity type or ownership, a notification requirement is sufficient to keep CDFA informed of such changes and to allow disclosure and investigation of the new owners as required by section 8102(j). [0023; 0296; 0298; 0310; 0311; 0312; 0315; 0315; 0325; 0328; 0341; 0351; 0364; 0398; 0457; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0572; 0584; 0589]

Response: CDFA disagrees with the comment that a notification would be sufficient. A change to business entity type that includes a change of ownership requires a new application and a new application fee because the Department must verify that the new owners are fit for licensure. Each new owner must fill out the owner application and the Department must process the new owner documentation. This section is required for the Department to fulfill its licensing responsibilities and cover its cost for reviewing the additional ownership documentation. Furthermore, if there is no change in ownership then a new application is not required.

Comment: Regarding section 8204(b), if the owners remain the same during the course of the entity transition, will the licensee have to reapply for licensure or will they simply be required to report the entity change? **[0482; 0599]**

Response: A complete list of every owner and specific personal and business identification formation of each owner, including a history of convictions and evidence of rehabilitation for each conviction, is needed if the entity is changing. This was added to clarify Business and Professions Code section 26057, which requires the Department to determine whether the owner, applicant, or licensee is suitable to be issued a license and would not compromise public safety.

Comment: Regarding section 8204(c), allow more than 48 hours' notice; require 10 days instead of 48 hours. **[0310; 0311; 0398; 0506; 0551; 0604]**

Response: CDFA disagrees with this comment. This subdivision requires notification by a licensee within 48 hours of a criminal conviction or judgement, revocation of a local license, violations of labor standards, or changes to the licensee's designated track-and-trace system account manager. The Department determined this shorter time frame for notification of this sort was necessary to ensure that the Department can follow up quickly on what may be matters of public safety.

Comment: Regarding section 8204(c), the language is overly broad and would require a licensee to somehow know if an absentee owner faced a drunk driving charge or a failure to pay child support in another state perhaps. Clarify language. **[0482; 0599]**

Response: CDFA disagrees with this comment. A licensed business entity is responsible for each of its owners' information. No clarification is necessary.

Comment: Regarding section 8204(c), does the Department want to insist on receiving notification for every traffic ticket and small claims court dispute ANY owner may have? Section 8204(c)(1) should be amended so that licensees shall notify the department of a felony criminal conviction rendered against the licensee or any owner, or civil judgment rendered against the licensee or civil judgement rendered against the licensee (excluding the owner). It makes no sense to require the owners to contact the department for every legal dispute or misdemeanor they have. [0508]

Response: CDFA disagrees with the comment. Just as all owners are required to provide their criminal conviction history to the Department upon application the same is true for convictions and civil judgments after licensure. Notification is only required upon conviction or civil judgment and not for every legal dispute. Information that is required to be provided is further clarified in proposed regulation section 8113, subdivision (a). The Department must determine if the subsequent licensee or owner convictions require suspension, revocation, or denial of renewal of the license.

Comment: Regarding section 8204(c)(1), remove “civil judgement.” [0310; 0311; 0328; 0398; 0506; 0604]

Response: CDFA has decided not to accommodate this comment because the Department determined this information is necessary in order to accurately and expeditiously take licensing actions.

Comment: Regarding section 8204(d), the Department should provide a specific time frame for compliance. As it is currently difficult or even impossible to enforce a presumed late response by the licensee when the Department cannot determine when the licensee became aware of the situation requiring notification. We recommend all state agencies with mandatory notification requirements permit (but not require) mandatory notification to be provided via email and to offer licensees similar details regarding what the notice must contain, if not already specified. [0177]

Response: CDFA has decided not to accommodate this comment. The Department already provides a timeframe of ten (10) calendar days pursuant to section 8204, subdivision (a) of the proposed regulations. No further clarification is needed.

Comment: Add a subdivision to section 8204 that requires a licensee to report the entity change to the Department, without a new application and application fee, so long as the licensee can show that no ownership change has occurred. [0482; 0599]

Response: CDFA disagrees with this comment. If the entity is changing, a complete list of every owner, and specific personal and business identification information of each owner, including a history of convictions and evidence of rehabilitation for each conviction is needed (even if ownership is not changing). The Department needs this information to verify the entity change has not resulted in a change in ownership. This was added to clarify Business and Professions Code section 26057, which permits the Department to determine that the owner, applicant, or licensee is suitable to be issued a license and would not compromise public safety.

Section 8205. Physical Modification of Premises.

Comment: Amend section 8205(a) to include the following condition: “The emergency relocation of canopy is permitted, provided that overall canopy size does not increase, the new location is compliant with all cultivation plan and premises requirements, and the Department is notified within 24 hours of any relocation.” In emergency situations such as the emergence of a pest or pollen, cultivators may need the ability to quarantine or otherwise relocate canopy plants, provided that the cultivation area does not increase beyond the licensed square footage. In these limited circumstances, where time is of the essence, licensees should be subject only to timely notification, not prior written approval. [0524; 0573]

Response: CDFA has decided not to accommodate this comment because the Department has provided section 8207 (Disaster Relief) of the proposed regulations to allow the Department to waive certain regulatory licensing requirements during a disaster. “Disaster” is defined within the section as including “plant or animal infestation or disease.” Further, section

8207 permits a licensee to notify the department of an inability to comply with any licensing requirements due to a disaster and request relief from the specific licensing requirements and finds the proposed provisions are adequate in this regard.

Comment: Amend section 8205(a) to require a notification of change instead of an approval. In emergency situations, approval from the department to make modifications may not be done in a timely manner. If a permit and/or change is necessary, they will be obtained by the local government, so we recommend to require a notification of a change in place of an approval. **[0529; 4H.44]**

Response: CDFA partially agrees with this comment. The Department understands emergency situations arise. As such, section 8207 of the proposed regulations offers disaster relief to licensees in emergency situations as prescribed. CDFA disagrees with the comment in the recommendation that section 8205 of the proposed regulations be modified to accommodate emergencies because the accommodation is already prescribed in section 8207.

Comment: Amend section 8205(a) and (b) to allow cultivators to utilize alternative power and water sources in emergency situations without exposing them to penalties. **[0551]**

Response: CDFA has decided not to accommodate this comment because the Department has provided section 8207 (Disaster Relief) in the proposed regulations to allow the Department to waive certain regulatory licensing requirements during a disaster. Section 8207 permits a licensee to notify the department of an inability to comply with any licensing requirements due to a disaster and request relief from the specific licensing requirements.

Comment: Regarding section 8205(a)(2), add: “. . . , except in the event of an emergency. If a licensee must deploy emergency power or water sources in order to preserve their cannabis in production they must notify the Department of the change in a reasonable amount of time;” A change in power source in an emergency should not require a notification to CDFA prior to implementation. Indoor and mixed light cultivation rely on predictable 12-hour cycles during the

flowering stage. In the event of power failure, a cultivator may deploy portable generators to keep power supply to the building. If the cultivator had to wait for approval from the CDFA before deploying said generators, they may lose all of the cannabis that is currently in production. **[0451]**

Response: CDFA disagrees with this comment because the Department has no regulatory requirement that it be notified if a licensee must deploy an approved source of water or power for a licensee to preserve its cannabis in production. No changes to the regulations are necessary.

Comment: Regarding section 8205(a)(3), change electrician to licensed contractor. **[0127; 0136; 0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0351; 0364; 0398; 0421; 0450; 0457; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0572; 0584; 0589; 0603; 0604]**

Response: CDFA decided not to accommodate this comment as the Department determined it was necessary to require this level of work done by an electrician to reduce the potential risk of fire hazards.

Comment: Regarding section 8205(e), specify the time frame by which the Department must respond. **[0259; 0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0351; 0364; 0398; 0457; 0464; 0471; 0479; 0482; 0506; 0530; 0542; 0548; 0572; 0584; 0589; 0599; 0603; 0604]**

Response: CDFA has decided not to accommodate this comment because each physical modification of a premises must be reviewed on a case-by-case basis. Therefore, it is not feasible for the Department to establish a timeframe to complete review.

Comment: What about emergency exemptions for water and power? **[0482; 0599]**

Response: CDFA has decided not to accommodate this comment. The Department has no regulatory requirement to be notified if a licensee must deploy an approved source of water or power to preserve its cannabis in production.

Comment: What happens if you add a standard outlet or a light switch or a motion sensor light? Is this covered under the same power source because it is not a modification to the cultivation plan? **[0482; 0599]**

Response: CDFA has decided not to accommodate this comment. The Department has determined that only modifications to the items required by the cultivation plan are necessary for review.

Comment: Regarding section 8205, requests the ability to alter greenhouses from “canopy” to “vegetative” space. Many farmers cultivate in greenhouses. We would like the ability to change a premises diagram to reflect that a previously vegetative area becomes canopy and vice versa. Current policy requires farmers to move vegetative plats to a designated canopy area. **[0440]**

Response: CDFA has decided not to accommodate this comment. Licensees are not prohibited from altering greenhouses from “canopy” to “vegetative” space pursuant to section 8205 of the proposed regulations, provided the change is documented and approved by the Department. However, every area that may contain mature cannabis at any time during the licensed period must be identified in the cultivation plan as the canopy area.

Comment: In reference to sections 8204 and 8205, specificity and clarification regarding change requests would be helpful. **[0572]**

Response: CDFA has decided not to accommodate this comment. The proposed regulations specify that any changes to license information or modifications to the premises require the Department’s permission prior to making a change. No further clarification is needed.

Section 8206. Death or Incapacity of a Licensee.

Comment: Revise the last sentence of section 8206(a) to read: "...notify the department within ~~ten (10)~~ thirty (30) business days." Death and incapacity issues can be complicated to document and often require investigations, legal challenges, and production of certificates, all of which can be a lengthy process. **[0136; 0310; 0311; 0328; 0398; 0506; 0604]**

Response: CDFA rejects this comment. The Department acknowledges that death and incapacity issues may be difficult to document. However, to maintain license responsibility and accountability, it is imperative the Department be notified within 10 business days. Further, the Department specifies the acceptable documentation to demonstrate death or incapacity and includes provisions in proposed regulation section 8206, subdivision (c) which may permit continued operation on the licensed premises. The Department maintains this section is reasonable and necessary for the implementation of these regulations.

Comment: Section 8206 is entitled "Death or Incapacity of a Licensee," but the text in section 8206(a) only applies to death or incapacity of an owner. What happens if there is a death of a property owner? **[0316]**

Response: CDFA has decided not to accommodate this comment. Business and Professions Code section 26051.5 and section 8104 of the proposed regulations requires the applicant to have the consent of the property owner to allow commercial cannabis activity on the property. Upon renewal of the license, the licensee is required to notify the Department of any changes to the original application that was submitted, which includes the consent of the property owner if the property owner has changed. No further clarification is needed.

Comment: Regarding section 8206(e), why no issuance, if no criminal activity? **[0556]**

Response: Section 8206 is necessary as it provides an owner's successor in interest the opportunity to transition the owner's operations and/or wind-down the licensed business' affairs prior to the expiration of the license. This regulation provides that, although the successor in interest may continue operations on the licensed business premises for a period of time, the

successor in interest is not automatically guaranteed issuance of a state cannabis license. Requiring the successor in interest to submit a new application for licensure after a certain period enables the Department to determine a new owner's qualifications for licensure.

Section 8207. Disaster Relief.

Comment: Regarding section 8207, the Department lacks the authority to waive requirements specified by statute. In particular, CDFA lacks the authority to permit any commercial cannabis activity, temporary or otherwise, that would violate local ordinance. To the extent that the section 8207 references to “licensing requirements” contemplate relief from any requirement to comply with local rules and regulations, or could be interpreted to permit such actions, it is inconsistent with Business and Professions Code sections 26055(d) and 26200. **[0405]**

Response: CDFA disagrees with this comment. This section does not limit or interfere with Business and Professions Code section 26200 or 26055(d) or local ordinances. This section merely provides an avenue for licensees to move their product under the specified conditions in the event of a disaster specific to the activities licensed by the Department. The section does not supersede or limit local licensing requirements, and does not prohibit or require local enforcement action. Licensees are still required to comply with local ordinances. No clarification is necessary because the Department does not have the authority to waive local requirements. Any licensing requirements referred to in the regulations are to those imposed by the Department.

Comment: Regarding section 8207(h), add language that states there is no requirement to hold a distributor transport license to move licensee’s product in the event of a disaster. Although this could be assumed, clarity is needed to ensure the intent of this regulation. **[0310; 0311; 0328; 0398; 0506; 0604; 4H.39;]**

Response: CDFA has decided not to accommodate this comment because distributor licenses are outside of the Department’s scope of authority. However, proposed regulation section 8207, subdivision (a) allows a licensee to notify the Department of its inability to comply with specific licensing requirements if it needs to move product in the event of a

disaster, including the inability to obtain a licensed distributor to move product. Additionally, proposed regulation section 8207, subdivision (e) states a licensee shall not be subject to an enforcement action for a violation of a licensing requirement in which the licensee has received temporary relief.

Comment: Regarding section 8207(h)(2), 24 hours is too soon. What if there is no access to email? 72 hours seems fairer. [0556]

Response: CDFA has decided not to accommodate this comment because the Department has determined 24 hours is sufficient time for the licensee to immediately secure cannabis or cannabis products, while providing prompt notice of the change in location to the Department.

Section 8208. Surrender, Revocation, or Suspension of License.

Comment: Modify section 8208(c) to allow closure up to three months; substitute thirty (30) consecutive calendar days for ninety (90) consecutive calendar days. May seasonal outdoor farmers in Northern California will close their farm during the winter, when the climate does not support outdoor grows. That period can last three or more months and these farmers should not lose their permit after 30 days of off-season inactivity. [0508]

Response: CDFA has decided not to accommodate this comment because it is unnecessary. Per section 8204 of the proposed regulations the licensee may notify the Department of a closure longer than thirty (30) days without resulting in a surrender of the license. No change to the proposed regulations is necessary.

Comment: Add a new subdivision (f) to section 8208:

“The Department shall notify the local licensing authority who jurisdiction is responsible for authorizing the licensed commercial cannabis activity at the local level of any licensee that has surrendered, abandoned, or quit its license or had its license suspended or revoked within one business day of such action.”

In order for the dual licensure system to work, there must be clear and constant communication and coordination between the licensing authorities at both levels. Should the state be informed that a licensee is surrendering a license, or has abandoned or quit a licensed premises, the Department should inform the local licensing authority of such acts as soon as possible to ensure that the appropriate protocols are followed by both state and local authorities. [0322]

Response: The Department rejects this comment to require the Department to notify the local licensing authority in the event that a licensee in its local jurisdiction has surrendered or had its license suspended or revoked. The Department intends to communicate licensee information with local jurisdictions as effectively and efficiently as possible and determined this requirement was not necessary in regulation to achieve that.

Section 8209. Medium Cultivation License Limits.

Comment: People are getting many small (10,000 square feet) licenses and using that as a loophole for mega cultivation. A direct violation of the intent of section 8209. [0136]

Response: CDFA disagrees with this comment. This section limits the number of medium licenses a person may have to one. The regulations clarify the statutory provisions in Business and Professions Code section 26061, subdivision (a), which obligates the Department to limit the number of medium licenses issued. The Department is merely implementing statute.

Comment: One solution to the impending catastrophe of an oversupply of cannabis is to revise section 8209 to read: "A person or entity shall be limited to two (2) cultivation license types and one (1) license of any type per parcel." This would fulfill the statutory requirement for the Department to limit the number of Medium licenses as well as establish a sensible regulation which will help fulfill the broader mandate of Proposition 64. [0276; 0282; 0310; 0311; 0328; 0398; 0415; 0506; 0604]

Response: CDFA disagrees with this comment. This section limits the number of medium licenses a person may have to one. The regulations clarify the statutory provisions in Business

and Professions Code section 26061, subdivision (a), which obligates the Department to limit the number of medium licenses issued. The statute did not provide a similar limitation for the other license types. The Department is merely implementing statute.

Comment: Regarding section 8209, when licensees can obtain as many small licenses as they want, this regulation is absolutely useless. Please remove it or put a limitation on small license types. **[0321]**

Response: CDFA disagrees with this comment. This section limits the number of medium licenses a person may have to one. The regulations clarify the statutory provisions in Business and Professions Code section 26061, subdivision (a), which obligates the Department to limit the number of medium licenses issued. The statute did not provide a similar limitation for the other license types. The Department is merely implementing statute.

Comment: Why must medium licenses be singled out in this section? **[0506]**

Response: The regulations clarify the statutory provisions in Business and Professions Code section 26061, subdivision (a), which obligates the Department to limit the number of medium licenses issued. The statute did not provide a similar limitation for the other license types. The Department is merely implementing statute.

Comment: Support section 8209; keep as worded. **[0547]**

Response: CDFA has noted this comment. No changes were made to section 8209 of the proposed regulations.

Section 8210. Sample Collection by the Bureau.

Comment: Section 8210 would fit better in the Bureau's regulations. **[3H.6; 0316]**

Response: CDFA disagrees with the comment as far as removing section 8210 from the proposed regulations. This section was developed in consultation with the Bureau of Cannabis Control to ensure consistency and uniform application of regulations.

Comment: Regarding section 8210, how much will you take? How often? For what reason? It is already being tested. Something is very shady about section 8210. [0556]

Response: The Bureau of Cannabis Control, has statutory authority over testing. Section 8210 was developed in consultation with the Bureau of Cannabis Control to ensure consistency and uniform application of regulations. The Department determined section 8210 is necessary to enforce the provisions of the testing laboratory regulations and ensure licensed testing laboratories are reporting accurate results. The Bureau of Cannabis Control will need to, on occasion, collect “split samples” from a cannabis batch at the same time the sampling agent from the licensed testing laboratory collects samples in the same amount as the testing laboratory does (according to the weight of the lot) and will analyze samples and compare the results with the results from the licensed testing laboratory.

Comment: Referencing section 8210, why is there a double analysis? Who pays for that? Who pays lost revenue? [0556]

Response: The Bureau of Cannabis Control has statutory authority over testing and has determined that quality assurance testing on licensed laboratories is essential to ensure the integrity of the licensing program. Section 8210 was developed in consultation with the Bureau of Cannabis Control to ensure consistency and uniform application of regulations. The Department determined section 8210 is necessary to enforce the provisions of the testing laboratory regulations and ensure licensed testing laboratories are reporting accurate results.

Section 8211. Prohibition of Product Returns

Comment: Remove section 8211 in its entirety. Other industries’ regulations make no such requirement and there is no fair rationale for treating cannabis differently. The purchaser should be allowed to recover their payment and purchase similar products of lesser or equal

value from a different cultivator. If the language is not removed, alternatively narrow so as to prohibit only those specific kind of returns or justifications for returns that CDFA more narrowly intended to target. **[0023; 0508; 0561]**

Response: CDFA has decided not to accommodate this comment. This section prohibits cultivators from accepting product returns after transferring actual possession of cannabis or nonmanufactured cannabis products to another licensee after testing has occurred. The Department included this provision for consistency with the Bureau of Cannabis Control's regulations. These requirements are designed to create a one-way chain of custody for cannabis and nonmanufactured cannabis products post-delivery to a licensed distributor, and post quality assurance testing by a licensed testing laboratory. The chain of custody construct is essential to protect public consumers from exposure to cannabis and nonmanufactured cannabis products that have failed quality assurance testing.

Comment: Regarding section 8211, create a process by which remediation can occur with strict adherence to track-and-trace and re-testing. **[0127; 0168; 0296; 0298; 0308; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0341; 0351; 0364; 0398; 0421; 0436; 0437; 0450; 0458; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0572; 0584; 0589; 0603; 0604]**

Response: CDFA decided not to accommodate this comment because the Bureau of Cannabis Control has authority over testing pursuant to Business and Professions Code section 26100. Accordingly, a licensed distributor or licensed microbusiness shall arrange for remediation of a failed cannabis goods batch pursuant to the Bureau's Regulations (Title 16 California Code of Regulations section 5727).

Comment: Regarding section 8211, allow for returns and exchanges of products with retailers and distributors. Product returns are an important part of maintaining product quality control, rotating out old stock, and giving retailers credit for products that are defective or below expected standards of quality. Dried flower products have a very limited shelf life and if retailers are not allowed to return unsold or unwanted products, then they will purchase only

the smallest possible quantities at a time, creating higher costs that will be passed on to consumers. [0165]

Response: CDFA disagrees with the comment. Section 8211 of the proposed regulations prohibits cultivators from accepting product returns after transferring actual possession of cannabis or nonmanufactured cannabis products to another licensee after testing has occurred. The Department included this provision for consistency with the Bureau of Cannabis Control's regulations. These requirements are designed to create a one-way chain of custody for cannabis and nonmanufactured cannabis products post-delivery to a licensed distributor, and post quality assurance testing by a licensed testing laboratory. The chain of custody construct is essential to protect public consumers from exposure to cannabis and nonmanufactured cannabis products that have failed quality assurance testing.

Comment: Regarding section 8211, cultivators and processors should be able to accept return of product from the distributor after testing in order to perform remediation methods. [0573]

Response: CDFA has decided not to accommodate this comment. If a product has failed testing, the licensed cultivator or processor may work with a licensed manufacturer to remediate the product. The product may not be physically returned to the cultivator or processor.

Comment: Section 8211 is not consistent with product cleaning and remediation allowed by the Bureau of Cannabis Control. Remediation is allowed by the Bureau for product to be cleaned in some cases or redirected to manufacturing wherein certain contaminants are eliminated and no longer a safety concern. There is no process by which tracked and traced cannabis or cannabis products can be returned to the farmer and remediated. There are false positive tests and there are also times when potency or other features are not as predicted. Farmers should have a way to salvage the crop unless it would be harmful to others. Strict re-testing and track and trace would provide the necessary accountability and safety provisions. [0506]

Response: CDFA disagrees with this comment. Pursuant to the Bureau of Cannabis Control's proposed regulations (Title 16 California Code of Regulations section 5727), only a licensed distributor or licensed microbusiness shall arrange for remediation of a failed cannabis goods batch with a licensed manufacturer.

Section 8212. Packaging and Labeling of Cannabis and Nonmanufactured Cannabis Products

Comment: The new cannabis industry faces over regulation of packaging. I do support childproof packaging and labels for concentrates and edibles. Flowers are not something a child would willfully eat, nor ingest so much that they are harmed. Urge you to allow the sale of flower in include see through packaging and allow dispensaries to sell flower in bulk with bins, where consumers can see, smell and choose they product they want to purchase. [0005]

Response: CDFA has decided not to accommodate this comment. Section 8212 of the proposed regulations establishes that licensees must abide by the applicable packaging and labeling requirements in Business and Professions Codes sections 26070, 26120, and 26121. Specifically, Business and Professions Code section 26070.1 requires cannabis to be in an opaque package when it leaves a licensed retail premises. Business and Professions Code section 26120, subdivision (c)(9) states that packaging and labeling authority lies with the California Department of Public Health and the Bureau of Cannabis Control. The California Department of Public Health has created regulations for the packaging and labeling of nonmanufactured cannabis. The Department decided to incorporate these requirements in the proposed regulations for consistency and uniformity.

Comment: Remove child resistant packaging. [0408; 1H.16; 1H.26]

Response: CDFA has decided not to accommodate this comment. Section 8212 of the proposed regulations establishes that licensees must abide by the applicable packaging and labeling requirements set forth in Business and Professions Code sections 26070, 26120, and 26121. Business and Professions Code section 26120, subdivision (c)(9) states that packaging

and labeling authority lies with the California Department of Public Health and the Bureau of Cannabis Control. The California Department of Public Health has created regulations for the packaging and labeling of nonmanufactured cannabis, which the Department has incorporated in the proposed regulations. In coordination with the Department of Public Health and Bureau of Cannabis Control, the Department determined child proof packaging will be required beginning January 1, 2020. This requirement is necessary to protect public safety and reasonable in offering licensees time to adjust to the requirement.

Comment: We are a distributor in Oakland, California. Do we still need to require child-resistant packaging on all products we receive or are we allowed to receive product without child-resistant packaging? My question is more about other types of products such as flower, pre-roll, etc. We understand the new law requires edibles to stay in child-resistant packaging.
[0007]

Response: Section 8212 of the proposed regulations establishes that licensees must abide by the applicable packaging and labeling requirements set forth in Business and Professions Code sections 26120 and 26121. Business and Professions Code section 26120, subdivision (c)(9) states that packaging and labeling authority lies with the California Department of Public Health and the Bureau of Cannabis Control. The California Department of Public Health has created regulations for the packaging and labeling of nonmanufactured cannabis, which the Department has incorporated in the proposed regulations. In coordination with the Department of Public Health and Bureau of Cannabis Control, the Department determined child proof packaging will be required beginning January 1, 2020. This requirement is necessary to protect public safety and reasonable in offering licensees time to adjust to the requirement.

Comment: The regulations fail to include specifics regarding the packaging and labeling of immature plants and seeds. [0027]

Response: CDFA accepts this comment and in coordination with the Department of Public Health and Bureau of Cannabis Control, incorporated language in section 8212, stating that immature plants and seeds do not need to be packaged in child-resistant packages.

Comment: Business and Professions Code section 26110, subdivision (a) exempts immature plants and seeds from quality assurance and testing, and several BCC regulations – notably sections 5301, subdivision (c) and 5315, subdivision (a) – further underscore that live plants are exempt from quality assurance. In this context, an exemption from child resistant packaging for these items is consistent with legislative intent, existing regulation, and common sense. **[0027]**

Response: CDFA accepts this comment and in coordination with the Department of Public Health and Bureau of Cannabis Control, incorporated language in section 8212, stating that immature plants and seeds do not need to be packaged in child-resistant packages.

Comment: It is unclear who is providing labeling oversight and what is required for labeling. **[3H.3]**

Response: CDFA disagrees with the comment. Section 8212 of the proposed regulations establishes that licensees must abide by the applicable packaging and labeling requirements set forth in Business and Professions Code sections 26120 and 26121. Business and Professions Code section 26120, subdivision (c)(9) states that packaging and labeling authority lies with the California Department of Public Health and the Bureau of Cannabis Control. The California Department of Public Health has created regulations for the packaging and labeling of nonmanufactured cannabis, which the Department has incorporated in the proposed regulations.

Comment: The draft regulations cite sections 26012 and 26013 of the Business and Professions Code. They are referenced in section 8212 but are actually changed. You may need to update that because those no longer refer to packaging and labeling requirements. Those references have changed. **[3H.14]**

Response: CDFA disagrees with this comment. The Department reviewed the Business and Professions Code sections cited in section 8212 of the proposed regulations, including

authorities and references, and confirmed they are correct. The Business and Professions Code sections mentioned in the comment (26012 and 26013) are not the sections listed in the draft regulations (26120 and 26121).

Comment: The Department should look at the current regulatory requirements set forth by the Department of Public Health and ensure that they are actually requiring something that is required by the Business and Professions Code at the core concept of these regulations for public safety. [3H.15]

Response: CDFA disagrees with this comment. The Department does not have authority over the California Department of Public Health.

Comment: Cautions that any packaging that is not required to be pharmaceutical grade, doesn't pass certain stringent testing requirements. This is a grave concern for public health and welfare due to contaminant levels of plastic resin. It is imperative that we look at how we are packaging and labeling our cannabis products for end consumption. [3H.15]

Response: CDFA disagrees with the comment. The Department has coordinated with the Department of Public Health and the Bureau of Cannabis Control to include language in section 8212 of the proposed regulations which references applicable packaging requirements. Section 8212 of the proposed regulations establishes that licensees must abide by the applicable packaging and labeling requirements in Business and Professions Codes sections 26070, 26120, and 26121. Business and Professions Code section 26120, subdivision (c)(9) states that packaging and labeling authority lies with the California Department of Public Health and the Bureau of Cannabis Control. The California Department of Public Health has created regulations for the packaging and labeling of nonmanufactured cannabis, which the Department has incorporated in the proposed regulations.

Comment: There is concern regarding excess packaging and the impacts on the environment. [0357; 1H.29; 1H.47; 3H.16]

Response: CDFA disagrees with the comment. The comment does not provide specific information with respect to what is considered excess packaging. The Department lacks specificity and cannot take action on the proposed regulations.

Comment: Concerned that CEQA violations will result from a lack of due diligence for packaging requirements. The long-term effects of contaminant plastics being buried in our landfills could lead to severe damage. **[3H.16]**

Response: CDFA disagrees with the comment. The comment does not provide specific information with respect to what in the packaging requirements represents a lack of due diligence and how this would result in severe damage. The Department lacks specificity and cannot take action on the proposed regulations.

Comment: There are several packaging requirements in the Business and Professions Code and the Health and Safety Code that look at packaging toxins, hazardous toxins, and packaging. These sections apply to this arena of cannabis regulations. **[3H.17]**

Response: CDFA has decided not to accommodate this comment. Licensees are required to follow all other federal, state, and local laws that apply. It is not necessary and would be duplicative for the Department to include those requirements in the regulations.

Comment: It is imperative that we look at how we are transporting cannabis from the field to the end consumer. Requiring a nonchild proof container is only digressing the progress of cannabis and digressing the professionals that are involved in the industry. **[3H.17]**

Response: CDFA disagrees with the comment. In coordination with the Department of Public Health and Bureau of Cannabis Control, the Department determined child proof packaging will be required beginning January 1, 2020. This requirement is necessary to protect public safety and reasonable in offering licensees time to adjust to the requirement. Section 8212 of the proposed regulations establishes that licensees must abide by the applicable packaging and labeling requirements in Business and Professions Codes sections 26070, 26120, and 26121.

Business and Professions Code section 26120, subdivision (c)(9) states that packaging and labeling authority lies with the California Department of Public Health and the Bureau of Cannabis Control. The California Department of Public Health has created regulations for the packaging and labeling of nonmanufactured cannabis, which the Department has incorporated in the proposed regulations.

Comment: Request to improve packaging regulations to recognize that the use of single-use plastics is outdated, unethical, and dirty. The cannabis industry should strive to be on the cutting edge of sustainable business development. The environmentally conscious cannabis community demands better options than single-use plastics, which pollute our oceans, landfills, and bodies. The regulatory framework should support this community by discouraging the use of single-use plastics and generating unnecessary waste. [0030]

Response: CDFA does not agree with the comment. The Department has coordinated with the Department of Public Health and the Bureau of Cannabis Control to include language in section 8212 of the proposed regulations, which references applicable packaging requirements. Section 8212 of the proposed regulations establishes that licensees must abide by the applicable packaging and labeling requirements in Business and Professions Codes sections 26070, 26120, and 26121. Business and Professions Code section 26120, subdivision (c)(9) states that packaging and labeling authority lies with the California Department of Public Health and the Bureau of Cannabis Control. The California Department of Public Health has created regulations for the packaging and labeling of nonmanufactured cannabis, which the Department has incorporated in the proposed regulations.

Comment: Regarding packaging, the regulations should: ban the use of single use plastics for cannabis packaging, offer incentives like tax breaks to producers who use alternative packaging solutions so they may stay competitive, and create the regulatory framework to allow businesses to offer packaging exchange programs so that consumers can return or exchange their cannabis packaging waste instead of ending in a landfill. [0030]

Response: CDFA has decided not to accommodate this comment. The Department has coordinated with the Department of Public Health and the Bureau of Cannabis Control to include language in section 8212 of the proposed regulations, which references applicable packaging requirements. Section 8212 of the proposed regulations establishes that licensees must abide by the applicable packaging and labeling requirements in Business and Professions Codes sections 26070, 26120, and 26121. Business and Professions Code section 26120, subdivision (c)(9) states that packaging and labeling authority lies with the California Department of Public Health and the Bureau of Cannabis Control. The California Department of Public Health has created regulations for the packaging and labeling of nonmanufactured cannabis, which the Department has incorporated in the proposed regulations.

Comment: Request to remove Proposition 65 statement from packaging. [1H.27]

Response: CDFA has decided not to accommodate this comment. All licensees must comply with all applicable federal, state, and local laws including the statutes implemented by Proposition 65. The Department does not have the authority to remove the requirement of Proposition 65.

Comment: Geezer caps are a little bit more necessary than child resistant packaging. [1H.33]

Response: CDFA has decided not to accommodate. The Department has coordinated with the Department of Public Health and the Bureau of Cannabis Control to include language in section 8212 of the proposed regulations, which references applicable packaging requirements. Section 8212 of the proposed regulations establishes that licensees must abide by the applicable packaging and labeling requirements in Business and Professions Codes sections 26070, 26120, and 26121. Business and Professions Code section 26120, subdivision (c)(9) states that packaging and labeling authority lies with the California Department of Public Health and the Bureau of Cannabis Control. The California Department of Public Health has created regulations for the packaging and labeling of nonmanufactured cannabis, which the Department has incorporated in the proposed regulations.

Comment: Proposed regulations are silent with regards to when and/or how packaged and labeled cannabis and non-manufactured cannabis goods are to be tested for pesticide contamination. Please specify in cases where product is packaged and labeled prior to Distribution who, and how, products are to be tested. **[0121]**

Response: CDFA has decided not to accommodate this comment because the Department does not have authority over either packaging or labeling (which falls to the Department of Public Health) or testing (which falls to the Bureau of Cannabis Control). For consistency, the Department has coordinated with the Department of Public Health and the Bureau of Cannabis Control to include language in section 8212 of the proposed regulations which references applicable packaging requirements.

Comment: Proposed regulations are silent with regards to the ingredients required to be on the packages by processor licensees who have also grown the product and do not transfer to a Distributor prior to packaging and labeling. **[0121]**

Response: CDFA has decided not to accommodate this comment. The Department has coordinated with the Department of Public Health and the Bureau of Cannabis Control to include language in section 8212 of the proposed regulations, which references applicable packaging requirements. Section 8212 of the proposed regulations establishes that licensees must abide by the applicable packaging and labeling requirements in Business and Professions Codes sections 26070, 26120, and 26121. Business and Professions Code section 26120, subdivision (c)(9) states that packaging and labeling authority lies with the California Department of Public Health and the Bureau of Cannabis Control. The California Department of Public Health has created regulations for the packaging and labeling of nonmanufactured cannabis, which the Department has incorporated in the proposed regulations

Comment: To section 8212, add a subdivision (4) to read: “Non-decarboxilated cannabis products do not require child-proof or child-resistant packaging.” Because all cannabis flower,

trim, kief and combinations thereof, are inert and without any psychoactive effect until decarboxylated (a process that breaks chemical bonds) packing flower, trim, and kief or any other non-decarboxylated product should not require childproof or child-resistant packaging.

[0136; 0310; 0311; 0328; 0398; 0506; 0604]

Response: CDFA rejects this comment. Business and Professions Code section 26120(a) establishes that cannabis and cannabis products must be labeled and placed in a resealable, tamper-evident, child-resistant package. The Department cannot alter statute to include that non-decarboxylated cannabis products do not require child-proof or child-resistant packaging.

Comment: Regarding section 8212, the labeling requirement “For Medical Use Only” should be expanded to include packaged flower and pre-rolls, thereby allowing the City to differentiate finished A and M goods during inspection of cultivation facilities. Amend section 8212 to include: “The labeling of pre-rolls and packaged flowered must include the statement ‘For Medical Use Only’ if the cannabis goods are intended for sale to medical-use customers only.”

[0179]

Response: CDFA rejects this comment. Business and Professions Code section 26120 requires the words “For Medical Use Only” to be on all cannabis and cannabis product labels and inserts for medicinal cannabis products sold at the retailer. Additionally, proposed regulation section 8212, subdivision (a)(1) implements this statute by requiring that all cannabis and nonmanufactured cannabis products are packaged and/or labeled with all the applicable requirements pursuant to section 26120 of the Business and Professions Code, including the statement “For Medical Use Only.” The language proposed in the comment is unnecessary.

Comment: Regarding section 8212, include language that explicitly states that the statewide track-and-trace system is the verification mechanism for County of Origin designations and develop implementation parameters for County of Origin standards verification within the scope of work of the statewide track and trace program. At present there are no statewide regulatory frameworks in place to support verification of the requirement that 100 percent of

the cannabis or non-manufactured cannabis product be produced in the county stated, and no effective pathway for individual operators to support compliance with this regulation. With this gap, local governments may seek to implement their own verification process, thereby creating disparities in verification processes from jurisdiction to jurisdiction and severely weakening both the strength of the statewide appellations program mandated in state law to be implemented by 2020 as well as the County of Origin program. **[0296; 0312; 0315; 0318; 0325; 0341; 0351; 0364; 0458; 0464; 0471; 0479; 0530; 0542; 0548; 0572; 0584; 0589; 0603]**

Response: CDFA rejects this comment. Proposed regulation section 8402(b) reflects requirements under Business and Professions Code section 26068, subdivision (a), which requires the use of the state's seed to sale track-and-trace system for the different stages of the commercial cannabis activity, including, but not limited to cultivation, harvest, processing, distribution, inventory, and sale. More specifically, proposed regulation section 8402, subdivision (c)(5) establishes that track-and-trace account manager or users must report applicable information within three (3) calendar days of packaging cannabis and nonmanufactured cannabis products on the licensed premises. Proposed regulation section 8212 establishes that licensees must abide by the applicable packaging and labeling requirements in Business and Professions Code sections 26070, 26120, and 26121, which includes the packaging and labeling requirements for county-of-origin designations. These sections provide a framework to verify county-of-origin designations and it is not necessary to tie verification to the statewide track-and-trace system. Per Business and Professions Code section 26200, subdivision (a)(1), local jurisdictions may establish their own ordinances including seeking their own verification process regardless of what the Department has proposed in the regulations.

Comment: When an entity utilizes biodegradable or glass packaging for all sale transfers of product, an environmentally superior alternative to plastic packaging, support recognition in the form of an annual fee and/or cultivation fee reduction. **[0409]**

Response: CDFA has decided not to accommodate this comment because the Department does not have authority over either packaging or labeling (which falls to the Department of Public Health). Additionally, it is not possible to successfully implement the licensing program at this time and offer a reduction of fees.

Comment: Citing section 8212 and regulations promulgated by the Bureau of Cannabis Control regarding cannabinoid testing, suggests softening the proposed labelling requirements regarding cannabinoid values under section 5727 to harmonize with the Food and Drug Administration's labelling requirements regarding food and dietary supplements. **[0511]**

Response: CDFA has decided not to accommodate this comment as the Department does not have authority over testing or labelling, which falls to the Bureau of Cannabis Control and the California Department of Public Health, respectively.

Comment: Citing section 8212 and referring to packaging requirements, if this goes through a compliance director, who is responsible? **[0556]**

Response: The licensee is responsible for compliance with the Department's regulations, including the packaging and labeling regulations set forth in section 8212.

Comment: Regarding section 8212(a)(1), follow implementing requirements from Business and Professions Code section 26120. Section 26120(c)(5) requires milligrams per serving to be listed on labels. If you look at the California Department of Public Health's regulations, they have reasonably limited that to products that have servings. To avoid confusion and improve consistency between the regulations, suggest that section 8212(a)(1) include language that implementing requirements, including those from the Bureau of Cannabis Control and the California Department of Public Health. **[4H.44]**

Response: CDFA has decided not to accommodate this comment The Department has coordinated with the Department of Public Health and the Bureau of Cannabis Control to include language in section 8212 of the proposed regulations, which references applicable

packaging requirements. Section 8212 of the proposed regulations establishes that licensees must abide by the applicable packaging and labeling requirements in Business and Professions Codes sections 26070, 26120, and 26121. Business and Professions Code section 26120, subdivision (c)(9) states that packaging and labeling authority lies with the California Department of Public Health and the Bureau of Cannabis Control. The California Department of Public Health has created regulations for the packaging and labeling of nonmanufactured cannabis, which the Department has incorporated in the proposed regulations.

Section 8213. Requirements for Weighing Devices and Weighmasters.

Comment: Regarding section 8213(c), strongly oppose having to weigh wet cannabis at harvest. [0005; 0098]

Response: CDFA disagrees with this comment. Per Business and Professions Code section 26067, subdivision (a), the Department must establish a track and trace program for reporting the movement of cannabis and cannabis products throughout the distribution chain. Section 26067, subdivision (b)(1) requires the Department to create an electronic database containing the electronic shipping manifests to facilitate the administration of the track and trace program, including the quantity or weight of the product. Because section 26067, subdivision (b)(2)(A) requires the database to flag irregularities for all licensing authorities to investigate, data regarding wet weight, waste weight, and net weight is necessary to identify irregularities regarding purported moisture loss and possible inversion or diversion that may occur at harvest.

Comment: Regarding section 8213(c), the Department should remove the requirement to weigh wet weight. [0005]

Response: CDFA disagrees with this comment. Per Business and Professions Code section 26067, subdivision (a), the Department must establish a track and trace program for reporting the movement of cannabis and cannabis products throughout the distribution chain. Section 26067, subdivision (b)(1) requires the Department to create an electronic database containing

the electronic shipping manifests to facilitate the administration of the track and trace program, including the quantity or weight of the product. Because section 26067, subdivision (b)(2)(A) requires the database to flag irregularities for all licensing authorities to investigate, data regarding wet weight, waste weight, and net weight is necessary to identify irregularities regarding purported moisture loss and possible inversion or diversion that may occur at harvest.

Comment: Regarding section 8213(c), the county only requires the weight of storage bins including stems and leaves after drying, which is much more reasonable. [0098]

Response: CDFA disagrees with this comment. Per Business and Professions Code section 26067, subdivision (a), the Department must establish a track and trace program for reporting the movement of cannabis and cannabis products throughout the distribution chain. Section 26067, subdivision (b)(1) requires the Department to create an electronic database containing the electronic shipping manifests to facilitate the administration of the track and trace program, including the quantity or weight of the product. Because section 26067, subdivision (b)(2)(A) requires the database to flag irregularities for all licensing authorities to investigate, data regarding wet weight, waste weight, and net weight is necessary to identify irregularities regarding purported moisture loss and possible inversion or diversion that may occur at harvest.

Comment: Regarding section 8213(c), wet weight serves no purpose other than to make things more difficult for the cultivator. [0490]

Response: CDFA disagrees with this comment. Per Business and Professions Code section 26067, subdivision (a), the Department must establish a track and trace program for reporting the movement of cannabis and cannabis products throughout the distribution chain. Section 26067, subdivision (b)(1) requires the Department to create an electronic database containing the electronic shipping manifests to facilitate the administration of the track and trace program, including the quantity or weight of the product. Because section 26067, subdivision (b)(2)(A) requires the database to flag irregularities for all licensing authorities to investigate, data

regarding wet weight, waste weight, and net weight is necessary to identify irregularities regarding purported moisture loss and possible inversion or diversion that may occur at harvest.

Comment: Regarding section 8213, requiring weighing of seeds is unnecessary if sold by count. Exclude the requirement of a scale if seeds are sold by count. [0296; 0298; 0310; 0311; 0312; 0315; 0318; 0325; 0328; 0364; 0398; 0461; 0464; 0471; 0479; 0506; 0530; 0548; 0572; 0584; 0589; 0603; 0604]

Response: CDFA decided not to accommodate this comment. Section 8213 of the proposed regulations does not require weighing of the seeds. However, entry of data into the track and trace system may require the weight and in that instance the licensee must comply with section 8213 of the proposed regulations.

Comment: Regarding section 8213, support and appreciate the inclusion of this section as it allows the county sealer to opt out of this program in counties that have banned commercial cannabis activities. [0481]

Response: The Department has noted this comment. No further response is required.

Comment: Revise section 8213(e) to read: “Any licensee weighing or measuring cannabis or nonmanufactured cannabis product in accordance with subdivision (a) shall be licensed as a weighmaster. A ~~certificate issued by a licensed weighmaster shall~~ issue a weighmaster certificate whenever payment for the commodity or any charge for service or processing of the commodity is dependent upon the quantity determined by the weighmaster in accordance with section 12711 and shall be consistent with the requirements in chapter 7 (commencing with section 12700) of division 5 of the Business and Professions Code.” This would clarify under what circumstances a Weighmaster Certificate must be issued. Eliminates need to issue Weighmaster Certificates for weighments solely for track-and-trace, disposal, and other non-transactional activities. [0481]

Response: CDFA accepted this suggestion and amended section 8213, subdivision (e) accordingly.

Comment: Regarding section 8213, how much do we pay for this? Is it yearly? When does it begin? Is it taught in a class? People have been weighing for 80 years without classes. **[0556]**

Response: The Division of Measurement Standards within the California Department of Food and Agriculture is responsible for issuing weighmaster licenses.

Section 8214. Commercial Cannabis Activity Between Licenses.

Comment: Regarding section 8214, allow licensed cultivation companies to sell directly to retail stores. **[0165]**

Response: CDFA has decided not to accommodate this comment. Business and Professions Code section 26104, subdivision (b)(1) requires cannabis be moved from the cultivation site to a manufacturer or directly to a distributor. Ultimately, cannabis and cannabis product must be tested prior to retail sale; thus, why a cultivator cannot move its product directly to retail. The Department is merely implementing statute.

Comment: Regarding section 8214, remove reference to “A” and “M” licenses. “A” and “M” license designation should occur at final retail when all product tests are available. **[0310; 0311; 0328; 0398; 0506; 0604]**

Response: CDFA decided not to accommodate this comment. Business and Professions Code section 26050, subdivision (b) requires all licenses to bear a clear designation indicating whether the license is for commercial adult-use cannabis activity as distinct from commercial medicinal cannabis activity by prominently affixing an “A” or “M,” respectively. The Department regulations merely implement statute.

Comment: Section 8214 is unclear. The reference to “any other licensee” could be misinterpreted to condone transactions and activities beyond the scope of the applicable

license type(s) of the participants – e.g., allowing a cultivator to supply and transport cannabis directly to a retailer without utilizing a licensed distributor. However, it appears more likely that the department actually intends to allow licensees to disregard only the “A” or “M” designation of the otherwise appropriate licensee with whom they are dealing – e.g., allowing a licensed “A” cultivator to utilize an “M” distributor, supplying an “M” retailer – which is more likely within CDFA’s regulatory authority. In order to avoid inconsistency with Business and Professions Code section 26055(d), this section should be revised to clarify that such activities are allowed only if permitted under the applicable local ordinance. **[0405]**

Response: CDFA rejects this comment. Section 8214 of the proposed regulations does not expand the scope of transactions. Licensees are required to comply with all other applicable federal, state, and local laws. Accordingly, limitation on which licensees a licensed cultivator can transfer its product to would still apply. This section merely states that the A or M designation of that licensee would not prohibit the sale. This section is consistent with Business and Professions Code section 26055, subdivision (d) because it does not prevent local jurisdictions from implementing their ordinances. Furthermore, Business and Professions Code section 26200, subdivision (a)(1) allows for local jurisdictions to create ordinances that require licensees to interact only with licensees that share the same designation. No clarification of the proposed regulations is necessary.

Section 8215. Personnel Prohibited from Holding Licenses.

Comment: Do not agree with section 8215 and the personnel prohibited from holding licenses, particularly those that work for the State of California. Individuals are not allowed to participate in businesses associated with cannabis. This is like telling Lieutenant Governor Gavin Newsome that he can’t have a winery. **[4H.55]**

Response: CDFA rejects this comment. Without restrictions on certain types of commercial cannabis business owners, individuals tasked with carrying out and enforcing the provisions of the law could legally own or hold an interest in commercial cannabis businesses. This would create either the appearance of a conflict or an actual conflict of interest. This section is necessary to ensure that certain personnel execute their duties and obligations in a fair and

objective manner on behalf of the State of California without the risk or threat of partiality or bias.

Section 8216. License Issuance in an Impacted Watershed.

Comment: Will the Department and/or sister agencies exclude endangered/impaired watersheds from the effects of commercial cannabis cultivation? If yes, when? **[0302]**

Response: The Department is required by Business and Professions Code section 26069, section (c)(1) to cease issuing new licenses or increase the total number of plant identifiers within a watershed or area if the State Water Resources Control Board or the Department of Fish and Wildlife finds that cannabis cultivation is causing significant adverse impacts on the environment in a watershed or geographic area. The State Water Resources Control Board and Department of Fish and Wildlife are responsible for making this determination.

Comment: How does the Department intend to implement the CalCannabis program as envisioned by Proposition 64 regarding impaired watersheds and environmental protection? One regulatory section appears to only consider after-the-fact information and after environmental damage has already been done, while another regulatory section appears to look prospectively as to whether cannabis grows could cause environmental harm. **[0302]**

Response: The Department is implementing Business and Professions Code section 26069, subdivision (c)(1) which establishes the process by which the State Water Resources Control Board and the Department of Fish and Wildlife will notify the Department if they have made the determination that cannabis cultivation has had a significant impact on the environment in a watershed. Section 8216 of the proposed regulations provides licensees and the public with a reference to this requirement and this language is necessary to clarify how the State Water Resources Control Board and the Department of Fish and Wildlife will notify the Department and was developed in consultation with them.

Comment: Regarding section 8216, supports the text as the process is consistent with the plain language and intent of the statute, and will allow the agencies to act quickly to limit

additional damage to watersheds that have reached their environmental carrying capacity, without unnecessary delay. **[0465]**

Response: The Department has noted this comment. No changes to section 8216 have been made.

Comment: Regarding section 8216, the latest language removes the requirement of “substantial evidence” in determining that cannabis cultivation is causing significant adverse impacts on the environment. However, “substantial evidence” is referenced in section 26069 of the Business and Professions Code; restore the requirement for “substantial evidence” for checks and balances. **[0482; 0508; 0599]**

Response: CDFA had decided not to accommodate this comment because it is unnecessary. The Department notes that Business and Professions Code section 26069, subdivision (c)(1) requires the findings of the State Water Resources Control Board and the Department of Fish and Wildlife to be based on substantial evidence. The Department did not remove this requirement and it is still effective as a statutory provision.

Comment: Regarding section 8216, the State has not officially issued any cultivation licenses, so how does this affect Salmon Creek, Redwood Creek, and other areas that have been deemed “adversely impacted” by the California Department of Fish and Wildlife? **[0482]**

Response: CDFA rejects this comment. The State Water Resources Control Board and the Department of Fish and Wildlife will make the determination whether cannabis cultivation is causing significant adverse impacts on the environment in Redwood Creek, Salmon Creek, and other waterways based on substantial evidence. CDFA will issue licenses to qualified applicants in all watersheds until the State Water Resources Control Board or Department of Fish and Wildlife informs CDFA that substantial evidence exists.

Comment: Section 8216 should not be used as a hammer against the folks that are complying and are not directly causing the impacts. **[0482]**

Response: The Department has decided not to accommodate this comment as it does not provide an actionable revision to the proposed regulations.

Comment: Regarding section 8216, the permit process is what assists the environmental mitigation and improvements. **[0482]**

Response: The Department has decided not to accommodate this comment as it does not provide an actionable revision to the proposed regulations.

Comment: Regarding section 8216, regulations and permits improve environmental conditions. **[0482]**

Response: The Department has decided not to accommodate this comment as it does not provide an actionable revision to the proposed regulations.

Comment: Regarding section 8216, sensitive areas have intensive cultivation and not issuing cultivation permits in these areas will drive cultivators back indoors in sheds and houses as well as back into gorilla gardens. **[0482]**

Response: CDFA rejects this comment. Business and Professions Code section 26069 requires the determination to be based on substantial evidence. The Department cannot alter statute to require that substantial evidence be directly linked to a specific cultivator engaged in wrong doing or choose to apply this section to licensed violators.

Comment: Regarding section 8216, there needs to be finite language that ties the issue to the cultivator who is engaged in the wrong doing. This should only apply to a licensed violator or impeder. **[0482]**

Response: CDFA rejects this comment. As indicated in other areas of this comment, Business and Professions Code section 26069 requires the determination to be based on

substantial evidence. The Department cannot alter statute to require that substantial evidence be directly linked to a specific cultivator engaged in wrong doing or choose to apply this section to licensed violators.

Comment: Regarding section 8216, be more specific. This is our livelihood. What would it be based on? There are far less regulated grows here than were anticipated. **[0556]**

Response: CDFA rejects this comment. The Department is implementing Business and Professions Code section 26069, subdivision (c)(1) in this section. The Department notes that Business and Professions Code section 26069, subdivision (c)(1) requires the findings of the State Water Resources Control Board and the Department of Fish and Wildlife to be based on substantial evidence.

Comment: Regarding section 8216, recommend the ability to restrict plant tags in impaired watersheds be used as a punitive measure to enforce against those refusing to come into compliance. There is significant risk to the environment associated with not allowing permitting in traditional farming regions. **[0599]**

Response: CDFA cannot accommodate this comment because the section of the regulation implements Business and Professions Code section 26069, subdivision (c)(1).

ARTICLE 4. CULTIVATION SITE REQUIREMENTS

Section 8300. Cultivation Requirements for Specialty Cottage, Specialty, Small, and Medium Licenses.

Comment: Regarding section 8300(a), remove "...specialty cottage, specialty, small, and medium licenses are prohibited from flowering." One cannot "prohibit a plant from flowering." It is botanically impossible to know what sex a plant will be without expensive testing, using clones only, or waiting for sex to express itself. Therefore, many farmers must wait for seed grown plants to flower before deciding what plants will be moved to the canopy area. **[0136; 0310; 0311; 0328; 0398; 0506; 0556; 0604]**

Response: CDFA disagrees with this comment. Section 8300(a) of the proposed regulations clarifies the necessity to tag and move plants that flower to the designated canopy without delay. Cultivators are permitted to maintain immature plants outside of the designated canopy with batch unique identifiers (UIDs), which poses a risk for plants to flower outside of the designated canopy that may lead to illicit diversion. To ensure compliance with track-and-trace and the conditions of the annual license, plants that flower must have individual UID tags and be located in the designated canopy. This clarification provides transparency to cultivators regarding the prohibition of flowering plants outside of the designated canopy.

Comment: Amend section 8300(c) to allow the sale of immature plants and seeds by cultivator. [0119; 0391; 0413; 0421; 0432; 0450; 0551; 0556; 0559; 0593; 4H.40]

Response: CDFA has decided not to accommodate this comment because limiting sale of immature plants and seed to licensed nurseries was established by statute in Business and Professions Code section 26001, subdivision (aj). The Department regulations merely implement this statute.

Comment: Regarding section 8300(c), recommend that cultivators be allowed to distribute seeds from a crop that inadvertently becomes seeded. [0136; 0308; 0310; 0311; 0328; 0398; 0506; 0604]

Response: CDFA has decided not to accommodate this comment because limiting sale of immature plants and seed to licensed nurseries was established by statute in Business and Professions Code section 26001, subdivision (aj). The Department regulations merely implement this statute.

Comment: Remove section 8300(c). Licensed cultivators are already allowed to maintain space in their cultivation plan for immature plants and they should be allowed to sell immature plants amongst themselves as long as the transactions are: recorded in track-and-trace; plants are transported via a licensed distributor; and all appropriate taxes are paid. The “nursery”

license should be reserved for businesses who wish to focus exclusively on producing clones and seeds or with to take clones or seeds to the retail market. [0432; 0466; 0474]

Response: CDFA disagrees with this comment. Section 8300, subdivision (c) of the proposed regulations provides clarification that distribution of immature plants and seeds is prohibited without a nursery license. Specialty cottage, specialty, small, and medium license holders are solely permitted to engage in sales of nonmanufactured cannabis products. This subdivision provides transparency to cultivators and consistency for enforcement regarding permissible activity according to license type. CDFA has decided not to accommodate this comment because limiting sale of immature plants and seed to licensed nurseries was established by statute in Business and Professions Code section 26001, subdivision (aj). The Department regulations merely implement this statute.

Comment: Regarding section 8300(c), in support of regulation that would allow propagation of starts in an on-site; self-use only nursery for more than one cultivation license held at a premises or adjacent premises operated by the same licensed entity, without a nursery license, given no starts will be sold to other licensed entities. [0409]

Response: CDFA does not agree with this comment. Section 8300, subdivision (c) of the proposed regulations provides clarification of Business and Professions Code section 26001, subdivision (aj). This section limits the sale of clones, immature plants, seeds, and other agricultural products used specifically for propagation and cultivation of cannabis to licensed nurseries. The Department regulations merely implement this statute.

Comment: Regarding section 8300(c), do not take away the ability to breed seeds. [0556]

Response: CDFA disagrees with this comment. Limiting sale of immature plants and seed to licensed nurseries was established by statute in Business and Professions Code section 26001, subdivision (aj). The Department regulations merely implement this statute.

Comment: The definitions of “cultivation” and “cultivation site” need to be consistent with other regulatory language that implies and directly states language to include packaging, labeling, and storage in cultivation licensing definitions. Regarding section 8300(d), this section clearly states that a cultivation site does in fact package and label. **[0309; 0333; 0336]**

Response: CDFA acknowledges this comment but disagrees that the proposed regulations are inconsistent with respect to packaging, labeling, and storage in cultivation licensing definitions. Proposed regulation section 8212 clearly states that all nonmanufactured cannabis product packaged and/or labeled by a licensed cultivator shall meet certain packaging and labeling requirements.

Comment: Revise section 8300(d) to read: “...transfer their harvested cannabis to a licensed processor, manufacturer, or distributor ~~via a licensed distributor.~~” As currently drafted, this section is inconsistent with section 8214, where transfers are described between any licensees. **[0310; 0311; 0328; 0398; 0506; 0604]**

Response: CDFA disagrees with this comment. The Department lacks the authority to allow a cultivation licensee to transport its own harvested cannabis to a licensed processor, manufacturer, or distributor per Business and Professions Code section 26012, subdivision (a)(1). The Bureau of Cannabis Control is the licensing authority regarding transportation between licensed entities. Regarding proposed regulation section 8214 merely allows cultivation licensees to conduct commercial cannabis activities with other licensees, regardless of A or M designation. It does not permit the transportation of harvested cannabis without the required transportation license.

Comment: Regarding section 8300(d), if an entity holds more than one cultivation license on the same premises, the cultivator is required to hold a processing license to process licenses held at the same premises unless the processing area has distinct areas for processing each license. It would make sense that instead of having a large processing area, that processing of product could be managed to only process one license at a time to ensure product is not comingled between licenses. Processing both licenses simultaneously at an onsite designated

processing area would not negate track-and-trace objectives (including tracking pesticide testing failure), given the plots were identically managed (i.e., clones or seeds obtained from one source, planting date, pest management, harvest date, and drying process). [0409]

Response: CDFA has decided not to accommodate this comment. Section 8300, subdivision (d) requires that licensees who choose to process harvested cannabis on their premises must do so in their designated processing area(s) pursuant to their cultivation plan. Cultivators are not required by regulation to process non-manufactured cannabis on their licensed cultivation premises. A processor license type is a cultivation license type available for processing non-manufactured cannabis product from multiple licensed premises in “a large processing area.” This subdivision provides transparency to cultivators and consistency for enforcement regarding compliance with the provided cultivation plan and processing requirements in regulations.

Comment: Regarding section 8300(d), is this a double fine for labeling? [0556]

Response: No, this establishes the requirement that processing occur only in designated processing areas and that the packaging done in those areas is compliant with section 8212 of the proposed regulations.

Comment: Regarding section 8300, add a new subdivision that reads:

Any licensee growing, selling, or handling cannabis nursery stock, other than seed, shall maintain standards of cleanliness of cannabis nursery stock in the licensee's possession: All cannabis nursery stock shall be kept:

- (i) Commercially clean of pests of general distribution.
- (ii) Free from pests of limited distribution, including pests of major economic Importance which are widely, but not generally distributed.
- (iii) Free from pests not know to be established in the State. [0481]

Response: The Department disagrees with this comment. There is not enough information regarding cannabis pests to adequately provide clear standards of cleanliness to the industry at this time. CDFA will continue to work with California Agricultural Commissioners to address the issue of injurious pests through the movement of cannabis nursery stock.

Comment: To section 8300, add: “Indoor and mixed license types shall use lighting for cultivation that is both (1) certified as compliant with Federal Communications Commission requirements and (2) has a Nationally Recognized Testing Lab Safety Certification.”

Lighting is the most important tool for cultivators of indoor plants to produce commercially viable crops. By requiring growers to use Federal Communications Commission and nationally recognized testing lab safety certified equipment, the state can promote the prevention of interference with emergency personnel radio equipment as well as significantly reduce the potential for fires. In order to fight the influx of knock-off, low quality and potentially dangerous products that do not meet safety standards, the state should require all lighting used in grow operations to contain FCC and Nationally Recognized Testing Lab Safety Certification. This will help ensure the safety of employees as well as the surrounding community. **[0486]**

Response: CDFA disagrees with this comment. The Department does not have the authority to establish and enforce regulation that is overseen by another state or federal department. Licensees are subject to all federal, state, and local laws or regulations as applicable to their business.

Comment: Allow nurseries to conduct business with cultivators. This is how all other crops operate for to gain a business advantage. **[0592; 4H.27; 4H.51]**

Response: CDFA agrees with this comment and permits licensed nurseries to conduct business with cultivators. Section 8300, subdivision (c) of the proposed regulations does not prohibit licensed nurseries from conducting business with other licensed cultivators. Section 8300, subdivision (c) clarifies Business and Professions Code section 26001, subdivision (aj)

that a licensee must obtain a nursery license to propagate and distribute immature plants and seeds. No changes to the regulations are necessary to accommodate this comment.

Section 8301. Seed Production Requirements for Nursery Licensees.

Comment: Amend section 8301 to allow the sale of immature plants and seeds by cultivators. [0119; 0391; 0413; 0421; 0450; 0551; 0559; 4H.40]

Response: CDFA has decided not to accommodate this comment because limiting sale of immature plants and seed to licensed nurseries was established by statute in Business and Professions Code section 26001, subdivision (aj). The Department regulations merely implement this statute.

Section 8302. Research and Development Requirements for Nursery Licensees.

Comment: Please retitle section 8302 as “Research and Development” and create two subsections.

Subsection (a): “Requirements for Nursery Licenses” and include the same exact language in the current regulations. Then create a subsection (b): “Requirements for Cultivation Licensees Propagating Onsite.” The language for subsection (b) would read similar to the nursery subsection (a) stating: “Cultivation licensees with an in-house supportive nursery (propagated onsite) may maintain a research and development area of no more than 1% of the total canopy area licensed, as identified in their cultivation plan. All plants in the research and development area shall be tagged with a UID pursuant to section 8403 of this chapter. All products derived from these plants are prohibited from entering the commercial distribution chain.”

Research and development allows for testing of the cannabis plant throughout the plant life cycle aiding the cultivator to improve their product, process, and brand by testing different strains, grow mediums, nutrients, new tech (i.e., lighting), temp, humidity, etc. [0333]

Response: CDFA rejects the comment. Including additional requirements for cultivation licensees propagating onsite is redundant and not necessary. It would be unreasonable to

restrict cultivation licensees from conducting research and development onsite to “no more than 1% of the total canopy licensed.” Further, it would be unreasonable to prohibit cannabis produced by a cultivation license to enter the distribution chain. No change to the regulation is required.

Comment: Current regulations provide no allowance for any license type (other than nurseries) to conduct research and development internally for product development. **[0173; 0309]**

Response: CDFA disagrees with this comment. Specialty cottage, specialty, small, and medium license types have the ability to conduct research and development activities in an area the licensee designates as outside of the canopy per section 8106, subdivision (a)(1)(B) of the proposed regulations.

Comment: There needs to be a research license. **[0395; 4H.54]**

Response: CDFA disagrees with this comment. Specialty cottage, specialty, small, and medium license types have the ability to conduct research and development activities in an area the licensee designates as outside of the canopy per section 8106, subdivision (a)(1)(B) of the proposed regulations.

Comment: Regarding section 8302, amend the last sentence to read: “All products derived from these plants that are not utilized in research and development activities on the licensed premises shall be destroyed in accordance with this chapter ~~are prohibited from entering the commercial distribution chain.~~” **[0405]**

Response: CDFA disagrees with this comment. The Department determined that destruction is not the intended use for these products. The products are just prohibited from entering the commercial chain and it is not necessary for the Department to require they be destroyed.

Comment: All cultivators should be allowed to designate canopy areas for research and development. [0556; 0574]

Response: CDFA agrees with this comment. Cultivation license types that produce flower for retail sale are already permitted to designate canopy areas on the licensed premises for research and development as set forth in section 8106, subdivision (a)(1)(B) of the proposed regulations. No changes to the proposed regulations are necessary to accommodate this comment.

Comment: Regulations should allow for new genetic materials to enter the market – live plants and seeds. Genetic improvements is a continual process, and should not be limited to what is currently on the market or forecasted. Any live plant cultivation company should be allowed to introduce new genetic material into the marketplace. [0592; 4H.51]

Response: CDFA has decided not to accommodate this comment because limiting sale of immature plants and seed to licensed nurseries was established by statute in Business and Professions Code section 26001, subdivision (aj). The Department regulations merely implement this statute.

Section 8303. Cultivation Requirements for Processor Licensees.

Comment: Remove “cultivation” from heading of section 8303. Clarification is needed between what cultivators and processors can do with their licenses. Since Processors are not allowed to cultivate, but including the word “cultivation,” it causes unnecessary confusion. [0310; 0311; 0328; 0398; 0506; 0604]

Response: CDFA disagrees with this comment. The Department may issue only cultivation licenses. Processor licenses are merely a subgroup of cultivation licenses.

Comment: Regarding section 8303(b), hash is a nonmanufactured product. [0556]

Response: CDFA disagrees with this comment. At this time there is no regulatory definition for hash; thus, it cannot be classified as a manufactured or nonmanufactured product.

Comment: Citing section 8303(b), “another label fine?” [0556]

Response: No, section 8303, subdivision (b) requires all processors to comply with section 8212 of the proposed regulations.

Comment: Regarding section 8303(c), what if they are a microbusiness? The microbusiness license requires that you comply with all of the regulations for each type of license involved in the business. A licensee would not be able to engage in both cultivation and processing under a microbusiness license. Please clarify whether this would apply to microbusinesses. [0321]

Response: The Department does not have authority regarding the microbusiness license type. The Bureau of Cannabis Control licenses microbusinesses per Business and Professions Code section 26012, subdivision (a)(1).

Section 8304. General Environmental Protection Measures.

Comment: Regarding section 8304(e), the use of generators is poorly understood in these regulations as rural, off-the-grid small farmers are generally ignored when compared with large agribusiness concerns. Many rural growers will never have affordable access to electrical power and rely on solar power generation and generators. The requirements for large generators in Section 8306 need to be changed before a reference here can be made. [0328; 0398; 0604]

Response: CDFA disagrees with this comment. The Department has worked in collaboration with the California Air Resources Board to determine appropriate regulatory measures for the use of generators for commercial cannabis cultivation. Section 8306 of the proposed regulations clarifies the requirements for licensees using generators of various sizes. All use of generators rated at fifty (50) horsepower or greater shall demonstrate compliance with the California Air Resources Board or the Local Air District. The Department’s *Literature Review*

on the Impacts of Cannabis Cultivation concluded that the impacts from potential emissions of air pollutants or noxious gases are significant and restricting the use of generators ensures human health hazards are minimized and significant impacts to air quality are mitigated. Section 8306 ensures that the Department and licensed cultivators follow California State's renewable energy requirements to be implemented by the year 2023. The Department supports the use of sustainable power sources including solar power generation in commercial cannabis cultivation.

Comment: Regarding section 8304(f), the Department should require cannabis producers to use cultural pest management methods before using organic approved pesticides. This would strengthen the environmental protection standards. **[0400; 0401]**

Response: CDFA disagrees with this comment. Section 8304, subdivision (f) requires compliance with pesticide laws and regulations pursuant to section 8307 of the proposed regulations. The comment does not provide any evidence that use of cultural methods before the use of organic pesticides would strengthen environmental protection standards. Additionally, the comment does not specify what would be considered cultural pest management methods. The comment has not provided enough specificity for the Department to take action on the regulations.

Comment: Regarding section 8304(f), licensees should be encouraged to use organic approved pesticides when cultural methods have not been successful. The Washington State Department of Agriculture and the Organic Materials Review Institute approve pesticides for use in organic agriculture and approved materials are commonly available in California. **[0400]**

Response: CDFA has decided not to accommodate this comment. The comment has not provided enough specificity for the Department to take action on the proposed regulations. It is not feasible for the Department to determine when cultural methods have not been successful. Additionally, regulations must provide clarity as to requirements for pest management as opposed to encouraging one method or another.

Comment: Amend section 8304(g) to include indoor license types: (g) Mixed-light and indoor license types of all tiers and sizes shall ensure that lights used for cultivation are shielded from sunset to sunrise to avoid nighttime glare. **[0316; 3H.6]**

Response: The Department does not agree with this comment. The Department's Medical Cannabis Cultivation Program, Scoping Report determined that mitigating light pollution from outdoor security lights mitigates potentially harmful effects on wildlife migration patterns and that mitigating aesthetic light pollution is a concern many people have regarding the impacts of nighttime views. The Department has determined that the light pollution emitted from indoor license types is not a significant issue at this time.

Comment: Citing section 8304 and in regard to environmental impact, an operation utilizing light deprivation with no use of artificial light is less energy intensive than operations utilizing artificial lighting. Given the lesser environmental impact, we are in support of a third mixed-light tier that recognizes light deprivation with no artificial lighting. **[0409]**

Response: CDFA has decided not to accommodate this comment. Mixed-light Tier I, which allows the use of up to six watts per square foot, was developed in response to comments from the industry that light deprivation techniques occasionally needed some artificial light support. Tier I was designed to encompass a portion of the industry that uses light deprivation, but no artificial lighting.

Section 8305. Renewable Energy Requirements.

Comment: The Department does not take into account that the carbon footprint of legal agriculture and regulations is shocking, especially when there is global climate change and all other carbon issues. To ensure that the environment and public health is adequately safeguarded, it is critical that you limit the number and size of indoor operations and develop stronger environmental regulations regarding carbon emissions and energy consumption of the industry. Solutions to this policy gap would be instituting a progressive carbon tax to incentivize energy conservation for indoor cultivators, mandating energy efficient production a condition of

licensing, and developing tax credits that can be applied to cultivators who significantly reduce their ecological footprint. [0294; 1H.29]

Response: CDFA disagrees with this comment. Greenhouse gas emissions and high levels of energy consumption are controversially associated with commercial cannabis cultivation. The California Legislature has declared global climate change a matter of increasing concern for public health and the environment and has enacted laws to offset greenhouse gas emissions. Section 8305 of the proposed regulations aligns with the California Renewables Portfolio Standard Program by identifying additional renewable energy requirements that all indoor, tier 2 mixed-light license types of all sizes, and nurseries using indoor or tier 2 mixed-light techniques will need to adhere to beginning January 1, 2023. Subdivisions (a) and (b) require evidence of carbon offsets or allowances in relation to the electrical power used for commercial cannabis activity to be provided beginning January 1, 2023.

Comment: Establish energy efficiency requirements in addition to renewable energy requirements. To ensure efficient use of energy resources, and to further reduce carbon emissions, we recommend that the State establish energy efficiency targets starting in 2020. Targets can be set based on data collected in 2019. [0313]

Response: The Department disagrees with this comment. CDFA does not have the authority to establish and enforce energy efficiency requirements. The California Legislature has declared that global climate change is a matter of increasing concern for public health and the environment and has enacted laws to offset greenhouse gas emissions. The California Renewables Portfolio Standard Program is one such program and section 8305 of the proposed regulations identifies additional requirements that all indoor, tier 2 mixed-light license types of all sizes, and nurseries using indoor or tier 2 mixed-light techniques will need to adhere to regarding the use of renewable energy requirements. Over time, the renewable energy requirements will decrease the energy utilization and greenhouse gas emissions.

Comment: Establish a stakeholder Cannabis and Carbon Task Force to develop peer-reviewed recommendations on energy efficient techniques and technologies that can reduce

the impacts of energy-intensive cannabis operations below baselines. Targets should be set based on a review of studies to be published in 2018 and 2019, as well as Massachusetts' recently enacted Lighting Power Density law. Targets could increase over time as best practices evolve. [0313]

Response: CDFA disagrees with this comment. The Department has worked in collaboration with the California Air Resources Board to determine appropriate regulatory measures for the use of generators for commercial cannabis cultivation. Section 8306 of the proposed regulations clarifies the requirements for licensees using generators of various sizes and does not require the use of a generator for cultivation purposes. All use of generators rated at fifty (50) horsepower or greater shall demonstrate compliance with the California Air Resources Board or the Local Air District. The Department's *Literature Review on the Impacts of Cannabis Cultivation* concluded that the impacts from potential emissions of air pollutants or noxious gases are significant and restricting the use of generators ensure human health hazards are minimized and significant impacts to air quality are mitigated. Section 8306 ensures that the Department and licensed cultivators follow California State's renewable energy requirements to be implemented by the year 2023.

Comment: The environmental costs of indoor production need to be addressed. [1H.47]

Response: CDFA has decided not to accommodate this comment because the Department believes the environmental measures in the regulations already address the environmental impacts. High levels of energy use and the resultant greenhouse gas emissions have been a controversial issue associated with cannabis cultivation, and indoor cannabis cultivation is one of the most energy-intensive industries in the United States according to the Department's *Literature Review on the Impacts of Cannabis Cultivation*. As recommended by this literature review, subdivisions (a) and (b) require evidence of carbon offsets or allowances from specified sources. Over time, the renewable energy requirements will decrease the energy utilization and greenhouse gas emissions associated with commercial cannabis cultivation and assist in achieving the statewide goal of reducing greenhouse gas emissions.

Section 8306. Generator Requirements.

Comment: Regarding section 8306, the language and regulations in this section are confusing and obfuscated. The term “generator” is not clearly defined and over simplified in the proposed regulations when compared to other more thorough agency categories, such as air quality. [0127; 0310; 0311; 0328; 0398; 0506; 0604]

Response: CDFA disagrees with this comment. The Department has worked closely with the California Air Resources Board to clarify the definition of “generator” regarding commercial cannabis cultivation. Section 8306, subdivision (a) of the proposed regulations clarifies that the definition of “generator” is consistent with Title 17 of the California Code of Regulations section 93115.4 and ensures consistency with other state regulations.

Comment: As a solution for off grid locations, strongly support the option for generators less than 50 bhp to be used for cultivation and not be restricted to low use (80 hours per year) and emergency applications when larger oversized generators are not required. [0127; 0310; 0311; 0328; 0398; 0506; 0604]

Response: CDFA disagrees with this comment. The Department has worked closely with the California Air Resources Board to determine regulatory measures regarding the use of generators for commercial cannabis cultivation. The Department’s *Literature Review on the Impacts of Cannabis Cultivation* concluded that the impacts from potential emissions of air pollutants or noxious gases are significant and restricting the use of generators ensures human health hazards are minimized and significant impacts to air quality are mitigated. Section 8306 of the proposed regulations ensures that the Department and licensed cultivators follow California State’s renewable energy requirements to be implemented by the year 2023.

Comment: CDFA should also permit use of generators that use alternative fuels in any size. Much smaller engines should also be permitted, if needed for limited energy use requirements during low solar, hydro, wind, etc. When carefully considered, generators partnered with sustainable power sources should be encouraged and supported while the technology develops further. [0127; 0310; 0311; 0328; 0398; 0506; 0604]

Response: CDFA partially agrees with this comment regarding the fact that generators partnered with sustainable power sources should be encouraged and supported while technology develops further. The Department has worked closely with the California Air Resources Board to determine appropriate regulatory measures regarding the use of generators of various sizes for commercial cannabis cultivation and does not believe that the regulations prohibit the use of any sized generator that uses alternative fuels. The Department's *Literature Review on the Impacts of Cannabis Cultivation* concluded that the impacts from potential emissions of air pollutants or noxious gases are significant and restricting the use of all generators ensures human health hazards are minimized and significant impacts to air quality are mitigated. Section 8306, subdivision (c) of the proposed regulation ensures that by the year 2023 licensed cultivators using generators rated below fifty (50) horsepower align with California State's renewable energy requirements. The Department supports the use of sustainable power sources used for commercial cannabis cultivation.

Comment: Regarding section 8306(b)(2), the language is problematic because the specific "Local Air District" office refuses to offer their services to determine whether our generators comply with these standards. This is because we are located on a federally recognized reservation and they contend that as an agency of the county they have no jurisdiction or ability to regulate our activities even though we have specifically asked them to do so. Accordingly, amend section 8304(b)(2) to add:

"If the location of the generators will be or is within a federally recognized Indian Reservation, then the State will recognize a Tribally issued certification of compliance in lieu of requiring that such proof of compliance be provided by a local jurisdiction." **[0174]**

Response: CDFA has decided not to accommodate this comment. Section 8306 of the proposed regulations does not require a local permit if the Local Air District does not have jurisdiction of the licensed premises.

Comment: Regarding section 8306(c), the proposed regulations inadvertently and unnecessarily encourage use of larger generators by requiring that smaller generators must qualify as “low use.” Many rural cultivators are dependent on off-grid power. Recommend that the regulations allow smaller generators even if they do not qualify as “low use.” **[0296; 0298; 0312; 0315; 0318; 0325; 0341; 0351; 0364; 0459; 0464; 0471; 0479; 0530; 0542; 0548; 0584; 0589]**

Response: CDFA disagrees with this comment. The Department has worked in collaboration with the California Air Resources Board to determine appropriate regulatory measures for the use of generators for commercial cannabis cultivation. Section 8306 of the proposed regulations clarifies the requirements for licensees using generators of various sizes and does not require the use of a generator for cultivation purposes. All use of generators rated at fifty (50) horsepower or greater shall demonstrate compliance with the California Air Resources Board or the Local Air District.

Comment: Regarding section 8306, it is energy inefficient, overly costly, and detrimental to the environment to require a generator inappropriately oversized, particularly for smaller Cottage Industry, Micro licenses and Small mixed-light sites. **[0328]**

Response: CDFA disagrees with this comment. The Department has worked in collaboration with the California Air Resources Board to determine appropriate regulatory measures for the use of generators for commercial cannabis cultivation. Section 8306 of the proposed regulations clarifies the requirements for licensees using generators of various sizes and does not require the use of a generator for cultivation purposes. All use of generators rated at fifty (50) horsepower or greater shall demonstrate compliance with the California Air Resources Board or the Local Air District.

Comment: When carefully considered, generators partnered with sustainable power sources should be encouraged and supported while the technology develops further. **[0328; 0398; 0506]**

Response: CDFA agrees with this comment in the sense of supporting sustainable power sources. The Department has worked closely with the California Air Resources Board to determine regulatory measures. The Department's *Literature Review on the Impacts of Cannabis Cultivation* concluded that the impacts from potential emissions of air pollutants or noxious gases are significant and restricting the use of generators ensure human health hazards are minimized and significant impacts to air quality are mitigated. Section 8306 of the proposed regulations ensures that the Department and licensed cultivators follow California State's renewable energy requirements to be implemented by the year 2023. The Department supports the use of sustainable power sources in cannabis cultivation. No changes are needed to the regulations at this time to accommodate this comment.

Section 8307. Pesticide Use Requirements.

Comment: Section 11501.1 of the California Food and Agricultural Code Regulations (CFAC) states in part that CFAC Division 6 and 7 "occupy the whole field of regulation regarding the registration, sale, transportation, or use of pesticides." The CalCannabis draft regulations seek to reinvent the wheel of pesticide regulation in a manner that is inconsistent with existing laws and regulations and is outside of the Department's authority. **[0481]**

Response: CDFA disagrees with this comment. Section 8307 reiterates that the California Department of Pesticide Regulation (DPR) as the authority on pesticide enforcement and regulations, as designated in Business and Professions Code section 26060, subdivision (c).

Comment: CalCannabis has not demonstrated the need for a separate pesticide regulatory program, nor have they explained how California's existing program is insufficient. Respectfully, CDFA staff lack the training, expertise, and resources necessary to competently and effectively implement a pesticide regulatory program independently. The legislature's intent to keep pesticide regulatory responsibilities with DPR is clear in Business and Professions Code section 26060, which specifically assigns pesticide regulatory authority to DPR in subdivisions (d) and (g) and establishes in (g) that it is to be consistent with CFAC Division 6, as opposed to some new regulatory program. We respectfully request that the California Office of Administrative Law review CDFA's authority under Business and

Professions Code section 26013 and 26060 to determine if in fact CDFA actually has the authority to regulate pesticides in the manner they propose. **[0481]**

Response: CDFA agrees with this comment in the sense that the Department of Pesticide Regulation (DPR) is the agency with jurisdiction over pesticide regulation, as stated in section 8307, subdivision (a) of the proposed regulations. However, the Department disagrees that section 8307 of the proposed regulations establishes a separate pesticide regulatory program. DPR's authority is found in Business and Professions Code section 26060, subdivision (c). The Department consulted with DPR on the pesticide use requirements and determined it is necessary to provide clarity to cannabis cultivators as to the requirements for pesticide use on cannabis. No changes to the regulations are necessary to accommodate this comment.

Comment: We have significant concerns regarding the proposed regulations which would require the cultivator to submit a list of pesticide active ingredients to CalCannabis prior to the issuance of a license. Does CalCannabis intend to approve or deny a license application based on the submitted list of pesticides? As a practical matter, it is generally impossible for any farmer to accurately predict exactly what pests will be problematic in a particular growing season, and therefore equally impossible to accurately predict exactly which pesticides they will need to utilize throughout the growing season. We recommend eliminating this requirement and, instead, relying on existing pesticide laws and regulations. **[0481]**

Response: CDFA disagrees with this comment. During the Department's review of pest management plans, pesticides that have been prohibited for use on cannabis by DPR will be required to be removed from the applicant's pest management plan. The Department cannot approve a cannabis cultivation application where the cultivator has indicated it will use a pesticide in violation of the law. Additionally, the Department recognizes that cultivators cannot predict all the products they will use throughout the year, so section 8204 provides a process by which the licensee can update its pest management plan.

Comment: Roll back pesticide, micro, metals, etc. to the same levels as farm food products. **[0591; 4H.42]**

Response: CDFA disagrees with this comment. As designated in the Business and Professions Code section 26060, subdivision (c), the Department of Pesticide Regulation (DPR) is the agency with jurisdiction over pesticide enforcement and regulation. The Department coordinated with DPR to determine the pesticide use requirements established in section 8307 of the proposed regulations meet the application of pesticides and other pest control in connection with cannabis cultivation compliant with Division 6 of the Food and Agricultural Code.

Section 8308. Cannabis Waste Management.

Comment: For the sake of clarity, the definition of “cannabis waste” in section 8308 should read as follows:

“Cannabis waste” means cannabis or cannabis product that has been rendered “unrecognizable and unusable” as defined in California Code of Regulations Division 42 of Title 16: section 5054(b), containing cannabis or cannabis products but is not otherwise a hazardous waste as defined in Public Resources Code section 40141.

This clarification is important so that moving forward, operators know that the cannabis waste regulations are applicable to rendered cannabis waste, as opposed to merely the disposal of cannabis cultivation product/byproduct. [0170]

Response: CDFA disagrees with this comment. Proposed regulation section 8308, subdivisions (a) and (b) defines “cannabis waste” as organic waste and requires management of hazardous waste according to the Public Resources Code as determined necessary with the guidance of the California Department of Resources Recycling and Recovery, known as CalRecycle. The Department has determined that the implementation of a waste management plan that documents actions taken to reduce and dispose of “cannabis waste” does not necessitate requiring a licensee to render “cannabis waste” “unrecognizable and unusable.”

Comment: Regarding section 8308, suggests the definition for “cannabis waste” be consistent across all licensing agencies for the sake of continuity and understanding the

context of “cannabis waste,” especially when vertical integration is involved and reference to multiple sets of regulations is necessary. [0170]

Response: CDFA has decided not to accommodate this comment because the Department has worked, and continues to work, in collaboration with the other state licensing agencies to determine the definition of cannabis waste. The California Department of Resources Recycling and Recovery, known as CalRecycle, within the California Environmental Protection Agency, was consulted by all three agencies to determine the definition of “cannabis waste” with respect to each licensing authority’s jurisdiction.

Comment: Regarding section 8308, noticeably lacking is a maximum storage time for cannabis waste on a licensed premises. We propose that the maximum hold time for cannabis waste be defined and added to the regulations. As an example, add: “Generators may not accumulate cannabis waste for more than a 30-day period.” This will deter generators from stockpiling their cannabis waste and will ensure timely disposal and reporting. [0172]

Response: CDFA does not agree with this comment. With the assistance of the California Department of Resources Recycling and Recovery, known as CalRecycle, the Department has determined that requiring a waste management plan documenting the licensee’s method of cannabis waste handling as part of the application record to receive a cultivation license is sufficient record of waste management.

Comment: Certain aspects of section 8308 may conflict with the Public Resources Code section 40059, which grants local governments authority to dictate the details of waste handling services in their jurisdictions. [0178; 0359; 4H.17]

Response: CDFA disagrees with this comment. Section 8308 of the proposed regulations establishes the requirements for a licensee to document the handling of its cannabis waste. This section does not change requirements a local government may dictate in its jurisdiction.

Comment: Regarding section 8308(a), cannabis waste, as organic waste, should not be subject to potentially onerous collection requirements. **[0178]**

Response: CDFA disagrees with this comment. Licensees are required to comply with all existing laws and regulations regarding the collection of cannabis waste.

Comment: Support section 8308(d) that requires a licensee to dispose of cannabis waste in a secured waste receptacle or in a secured area on the licensed premises. We suggest, however, that this provision require licensees to always maintain cannabis waste in a secured area on the premises inaccessible to the public, even when the material is awaiting collection. **[0178]**

Response: CDFA agrees with this comment. Section 8308, subdivision (d) of the proposed regulations is necessary to ensure that “cannabis waste” is not illegally diverted to the illicit market, is not accessible by the public and is disposed of by the means agreed to by the licensee.

Comment: Regarding section 8308(f), requiring separated compost piles for each license on a premise is not in accord with standard composting procedure. Composting can only be achieved with adequate volume of compost material, turned regularly, which is difficult if having to maintain separate compost piles for each license held on premises. We are in support of regulation allowing one compost pile per premises. **[0409]**

Response: CDFA has decided not to accommodate this comment because compost piles may be shared between multiple licenses held by one licensee under the proposed regulations.

Comment: Section 8308(g)(3) and (h) reference “solid waste facilities in section 8108(c).” Section 8108(c) does not use the term “solid waste facilities.” For consistency, the term “solid waste facilities and operations” should be included in 8108(c), 8308(g)(3), and 8308(h). **[0033]**

Response: CDFA disagrees with this comment. The proposed regulations do not define “solid waste facility.” Due to the variety of solid waste facilities identified in proposed regulation section 8108, subdivision (c) that are permitted to manage cannabis waste and the clarity with which they are identified, the Department has determined it is not necessary to include the term “solid waste facilities and operations” in section 8108, subdivision (c) of the proposed regulations.

Comment: Regarding section 8308(g)(3), providing a certified weight ticket to each cannabis waste generating customer for each collection of cannabis waste is neither practical nor necessary. **[0178]**

Response: The Department has taken this comment into consideration and removed this requirement.

Comment: Regarding section 8308(g)(3), there is no way for a hauler to verify the weight of cannabis waste only at the point of collection. **[0178]**

Response: The Department has taken this comment into consideration and removed this requirement.

Comment: Regarding section 8308(g)(3), a weight ticket provided from the point the collection truck enters a permitted solid waste facility would not be meaningful. **[0178]**

Response: The Department has taken this comment into consideration and removed this requirement.

Comment: Regarding section 8308(g)(3), providing this type of documentation to each cannabis waste generating customer for each collection could become onerous depending on the number of such customers and their frequency of collection in any given service area. **[0178]**

Response: The Department has taken this comment into consideration and removed this requirement.

Comment: Regarding section 8308(g)(3), propose providing quarterly reports to each cannabis waste generating customer that shows the level of collection service provided to that customer and the name of the permitted solid waste facility that receives their cannabis. **[0178; 4H.18]**

Response: CDFA does not agree with this comment. With the assistance of the California Department of Resources Recycling and Recovery, known as CalRecycle, the Department has determined that it is not necessary to obtain and retain a certified weight ticket for cannabis waste. The Department has removed subdivision (g)(3) of section 8308 from the proposed regulations.

Comment: Remove section 8308(g)(3). Requiring the collection of this documentation will be burdensome on the licensee and on the waste collector and may result in difficulty finding waste haulers that are willing to accept cannabis waste. If a licensee has contracted with a waste hauler to dispose of their cannabis waste it should be sufficient to show proof that it was collected as is required under section 8308 (g)(2), not that it was necessarily received by a solid waste facility. **[0451]**

Response: CDFA accommodated this comment by removing subdivision (g)(3) of section 8308 from the proposed regulations.

Comment: Regarding section 8308, recommends adding a provision to the regulations that requires licensees to destroy cannabis waste and render it unrecognizable and unusable as cannabis or cannabis products prior to collection by a third-party waste hauler. The Bureau of Cannabis Control and the California Department of Public Health have similar language in their proposed regulations in section 5054(b) and section 40290(c), respectively. This is an added level of protection to ensure cannabis waste no longer has any value as cannabis or cannabis products when it leaves the licensee's premises for composting or disposal. **[0178; 0359]**

Response: CDFA disagrees with this comment. The Department received feedback that the requirement to render additional waste products was environmentally damaging and in conflict with existing waste distribution laws.

Comment: Regarding section 8308, suggest cannabis waste be destroyed in a way that allows it to still be recycled as organic material, such as grinding it and/or mixing it with non-cannabis organic waste prior to collection by a third-party waste hauler. [0178; 0359]

Response: CDFA disagrees with this comment. The Department received feedback that the requirement to render additional waste products was environmentally damaging and in conflict with existing waste distribution laws.

Comment: Regarding section 8308, it does not contemplate the complications that arise by our licensed refuse hauler's existing route, collection schedules, and normal operating procedures. The requirement that third-party waste haulers provide a certified weight ticket and documentation of date and time the cannabis waste is picked up is impractical and an impossible provision for our licensed haulers to meet their existing equipment and at their current rates. [0359]

Response: CDFA agrees with this comment and removed subdivision (g)(3) of section 8308 from the regulations, which previously required a waste hauler to obtain a certified waste ticket.

Comment: Regarding section 8308, define rock wool growing media used to grow cannabis as "solid waste" pursuant to Public Resources Code section 40191. Rock wool growing media is already recycled in many countries. [0387; 0412; 4H.23]

Response: CDFA has decided not to accommodate this comment because defining rockwool as solid waste is outside of the Department's authority.

Comment: Regarding section 8308, define rock wool growing media as follows: “For purposes of this chapter, the unusable dead root material along with the associated rock wool growing media is defined as not hazardous waste as defined in section 40141 of the Public Resources Code and is solid waste as defined in section 40191 of the Public Resources Code.” [0387; 0412]

Response: CDFA has decided not to accommodate this comment because defining rockwool as solid waste is outside of the Department’s authority.

Comment: Regarding section 8308, request that the regulations be revised to add a category for solid waste so that license holders can properly dispose of inorganic materials (i.e. rockwool). Characterizing all cannabis waste as organic waste will cause confusion among licensees as rockwool is a widely used medium for cannabis cultivation. [0495; 4H.19]

Response: CDFA has decided not to accommodate this comment because adding a category for solid waste is outside of the Department's authority.

Comment: Cannabis “waste” equals “sticks.” Is there another word you can use for waste? Waste does not exist in cannabis. How about “cannabis compost” or “cannabis derivative?” It is not toxic or dangerous. [0556]

Response: CDFA disagrees with this comment. With assistance from the California Department of Resources Recycling and Recovery, known as CalRecycle, the Department determined "cannabis waste" to be organic waste, as defined in section 42649.8, subdivision (c) of the Public Resources Code. The time at which cannabis is determined to be cannabis waste is decided by the cultivator and at that time the “cannabis waste” must be maintained according to the cultivator’s waste management plan. As “cannabis waste” is organic waste it is not treated as “toxic or dangerous.”

Comment: Cannabis green waste should be able to be dropped at a manufacturing facility for further processing before being disposed of. This would further reduce the toxins and quantity of green waste that must be composted or dropped at solid waste facilities. **[0560]**

Response: CDFA has decided not to accommodate this comment because no regulatory change is necessary. The time at which cannabis is determined to be “cannabis waste” is decided by the cultivator and at that time the “cannabis waste” must be maintained according to the cultivator’s waste management plan. Nonmanufactured cannabis that is transferred to a manufacturing facility is not considered cannabis waste.

ARTICLE 5. RECORDS AND REPORTING

Section 8400. Record Retention.

Comment: In section 8400(a), reduce the required time to keep and maintain records from seven (7) years. **[0023; 0165; 0421; 0450; 0561; 4H.32]**

Response: CDFA has decided not to accommodate this comment. CDFA’s regulations are not the basis for the requirement that records be kept for a minimum of seven (7) years. This requirement is established in Business and Professions Code section 26160, subdivision (b). CDFA’s regulations merely implement this statute.

Comment: The current language on record retention requirements of section 8400(b) seems to be in conflict with the language in section 8400(d). Subdivision (b) seems to imply that records could be stored in cloud storage, or at an office adjacent to the premises. Subdivision (d) states unequivocally that the records must be stored on the premises. **[0314]**

Response: CDFA disagrees with the comment. CDFA’s regulations are not the basis for the requirement that records be kept on the licensed premises. Subdivisions (b) and (d) of section 8400 are not inconsistent because subdivision (b) governs the manner in which records must be kept and subdivision (d) governs which records must be kept by the licensee. The location of the records, rather, is set by statute, section 26160 of the Business and Professions Code.

Comment: Amend section 8400, subdivisions (b) and (d) to clarify that “at the licensed premises” and “on the premises” may include immediately accessible to electronic file storage. **[0524; 0561; 0573; 4H.65; 4H.67]**

Response: CDFA agrees with this comment and has made applicable revisions to section 8401, subdivision (e) accordingly.

Comment: Comments related to section 8400(c) and section 8408 state that an inspector can inspect any time between business hours of 8am-5pm PST, with no notice given, as they may not be on-site. Also requests no punitive damages if not on site for an unannounced visit. **[0272; 0421; 0450]**

Response: CDFA disagrees with this comment. Section 8400, subdivision (c) states that all records are subject to review by CDFA during standard business hours *or any other reasonable time as mutually agreed to by CDFA and the licensee* (emphasis added). If the licensee does not keep the inspection appointment to which it agreed, then CDFA has the authority to assess a violation. CDFA did not establish a violation for failure to provide records, rather, that violation is established in Business and Professions Code section 26160 subdivision (f). CDFA’s regulations merely implement this statute.

Comment: Regarding section 8400(c), remove the allowance that the Department is not required to provide prior notice to a licensee to review records. **[0398; 0328; 0310; 0311; 0506; 0604]**

Response: CDFA disagrees with this comment. Records retention requirements are fundamental to an effective regulatory oversight program. It is necessary for required records and documentation to be retained and made readily available to CDFA staff, who will be inspecting licensed facilities to determine compliance with California’s cannabis licensing requirements. Unannounced visits are a critically important tool of regulatory oversight to

effectively determine noncompliance that may be suspected based upon a complaint, tip, lead or anomalies identified in the California Track-and Trace system.

Comment: Regarding section 8400(d), the requirement of keeping records on each individual premises creates an access issue for licensees. Records are in multiple locations. **[0091; 0259]**

Response: CDFA disagrees with the comment. CDFA's regulations are not the basis for the requirement that all records, including financial, be kept on the licensed premises. This requirement is established in Business and Professions Code section 26160, subdivision (d). CDFA's regulations merely implement this statute.

Comment: Regarding section 8400(d), allow licensees to declare where their records/financial records are kept but allow financial records to be stored in a different location than the premises in cases of multiple licenses. **[0091; 0127; 0274; 0314; 0315; 0325; 0328; 0364; 0391; 0416; 0421; 0442; 0443; 0444; 0477]**

Response: CDFA disagrees with the comment. CDFA's regulations are not the basis for the requirement that records be kept on the licensed premises. This requirement is established in Business and Professions Code section 26160, subdivision (d). CDFA's regulations merely implement this statute.

Comment: Regarding sections 8400(d) and (e)(2), request that records may be stored in the residence of the licensee, if located on the same parcel as the cannabis site. Forcing cultivators to create a separate space to simply store records is overly burdensome. Financial and personnel records may be stored off-premises. **[0296; 0303; 0310; 0311; 0312; 0315; 0318; 0328; 0341; 0450; 0460; 0464; 0471; 0479; 0506; 0530; 0542; 0548; 0551; 0572; 0584; 0589; 0603]**

Response: CDFA disagrees with the comment. CDFA's regulations are not the basis for the requirement that records be kept on the licensed premises. This requirement is established in

Business and Professions Code section 26160, subdivision (d). CDFA's regulations merely implement this statute.

Comment: Regarding section 8400(d)(5), remove requirement to retain retired UID tags for six (6) months. **[0165]**

Response: CDFA disagrees with the comment. In the absence of specific records retention requirements, licensees would have the discretion to dispose of or destroy business records that often serve as the primary basis for determining statutory and regulatory compliance. CDFA believes that the six (6) month requirement is reasonable and will not unnecessarily burden licensees.

Comment: Revise language in section 8400(d)(6) to include language that states that financial information provided in the application be deemed exempt from the CA Public Records Act, by marking the information as "Confidential Corporate Financial Record per Government Code section 6254.15." **[0023]**

Response: CDFA disagrees with this comment as it is not relevant to section 8400, subdivision (d)(6). This subdivision relates to records storage on the premises, not documents required to be submitted as part of a license application as the comment suggests. If CDFA receives a California Public Records Act request it will evaluate if any of the records submitted with the application are exempt from disclosure.

Comment: Regarding section 8400(d)(6), object to providing banking records to CDFA upon request because CDFA records are public. There is concern that a financial institution would close the account once they become a public record. **[0023]**

Response: CDFA disagrees with this comment as it is not relevant to section 8400, subdivision (d)(6). This subdivision relates to records storage on the premises, not documents required to be submitted as part of a license application as the comment suggests. If CDFA

receives a California Public Records Act request it will evaluate if any of the records submitted with the application are exempt from disclosure.

Comment: Regarding section 8400(d)(6), request that licensees be allowed to identify banking information as confidential trade secrets exempt from disclosure under the CA Public Records Act. **[0023]**

Response: CDFA disagrees with this comment as it is not relevant to section 8400, subdivision (d)(6). This subdivision relates to records storage on the premises, not documents required to be submitted as part of a license application as the comment suggests. If CDFA receives a California Public Records Act request it will evaluate if any of the records submitted with the application are exempt from disclosure.

Comment: Replace section 8400, subdivision (d)(6) with the following language: “Cultivators must maintain all invoices, payment receipts, purchase orders, contracts, and tax records.” The cannabis industry is denied normal commercial banking and financing services due to the Federal prohibition. It is absurd to require many of the financial records listed, as they are not available to cannabis cultivators. **[0310; 0311; 0506; 0604]**

Response: CDFA disagrees with the comment. Although the commenter is correct in saying that many in the cannabis industry are denied normal commercial banking and financing services, not all are denied. Furthermore, access to banking and financial services is a dynamic issue that is currently being examined on different legal or industry fronts. A licensee will not be held accountable for retaining financial records that do not exist.

Section 8401. Sales Invoice or Receipt Requirements.

Comment: Section 8401 states: “Each sales invoice or receipt shall include all of the following: . . .” Proposed subdivision (2) is not part of receipt or invoice content, but, rather a procedural mandate and seems out of place. Incorporation of that language into subdivision (1) is more appropriate. Propose language for section 8401(e)(1) is as follows:

(1) Weight. For the purposes of this section a licensee must use wet weight or net weight. Wet weight and net weight shall be determined following weighing device requirements pursuant to section 8213 of this chapter and measured, recorded, and reported in U.S. customary units (e.g., ounce or pound); or International System of Units (e.g., kilograms, grams, or milligrams)

~~(2) Weighing Devices. A licensee shall follow weighing device requirements pursuant to section 8213 of this chapter.~~

(23) Count. For the purposes of this section, “count” means the numerical count of the individual plants or units. **[0481]**

Response: CDFA agrees with this comment and made the applicable suggested revisions to section 8401, subdivision (e).

Section 8402. Track-and-Trace System.

Comment: CDFA information on the CCTT-Metrac system is extremely vague. Implementation of CCTT has been confusing and training has been limited. **[3H.8]**

Response: CDFA acknowledges the comment regarding the California Track-and-Trace Metrac system but this comment does not provide enough information for CDFA to propose any changes to the regulations.

Comment: No information on when and how the CCTT system will be implemented. **[3H.8]**

Response: CDFA acknowledges the comment regarding the California Track-and-Trace system but this comment does not provide enough information for CDFA to propose changes to the regulations.

Comment: We are hearing complaints from all sections of the supply chain who do not know exactly how and when to use CCTT, though their license depends upon its usage. **[3H.8]**

Response: CDFA acknowledges the comment regarding the California Track-and-Trace system but this comment does not provide enough information for CDFA to propose changes to the regulations.

Comment: Now there is no access to Metrc and people are waiting blindly until they're told they need to legally use it. Then it's crunch time to try to figure it out somehow or their business fails. **[3H.10]**

Response: CDFA acknowledges the comment regarding Metrc but this comment does not provide enough information for CDFA to propose changes to the regulations.

Comment: Metrc itself is not fully operational and there are difficulties with the software and integration with licensee's platforms. **[3H.8]**

Response: CDFA disagrees with this comment regarding Metrc, but this comment does not provide enough information for CDFA to propose changes to the regulations.

Comment: Would like to have a date or deadline that CCTT should be online and fully functional. **[0421; 0421; 0450; 3H.9]**

Response: CDFA disagrees with this comment. The comment incorrectly states that the California Track-and-Trace system is not fully operational. The California Track-and-Trace system was deployed on January 1, 2018. The comment related to the California Track-and-Trace has been noted by CDFA. Mandatory prerequisites for access to the California Track-and-Trace system is completion of the Account Manager New Business training and issuance of an annual license by CDFA or one of the other licensing authorities.

Comment: There are end points in the CCTT system that are not relevant to CA. The CCTT-Metrc system does not appear to be ready, but a large number of temp licenses are pending expiration. **[3H.8]**

Response: CDFA acknowledges the comment regarding the California Track-and-Trace system but this comment is not related to the proposed regulations.

Comment: Distributors are complaining that there is no CCTT training for them. [3H.9]

Response: CDFA acknowledges the comment regarding the California Track-and-Trace but this comment is not related to the proposed regulations.

Comment: Suggest hosting extensive training sessions for all parts of the supply chain and third-party integrators. [3H.9]

Response: CDFA acknowledges the comment regarding the California Track-and-Trace system but this comment is not related to the proposed regulations.

Comment: Suggest a Metrc trial period so to learn the system prior to required usage, so licensees would be held legally responsible for their mistakes. [3H.9]

Response: CDFA acknowledges the comment regarding Metrc but this comment does not provide enough information for CDFA to propose changes to the regulations.

Comment: Commenter understands why the state requires product transfer data entered into the CCTT system. [0009]

Response: CDFA acknowledges the comment regarding the California Track-and-Trace system but this comment does not provide enough information for CDFA to propose changes to the regulations.

Comment: Respectfully request that the Department use the track and trace system for what is being designed to do which is monitor planting, harvests, and productions to determine a cultivator's yields and verify the fees being charged are appropriate and reasonable. [0307]

Response: CDFA acknowledges the comment regarding the California Track-and-Trace system but this comment does not provide enough information for CDFA to propose changes to the regulations.

Comment: Rollout of access to CCTT-Metrc should occur in conjunction with the cannabis supply chain. We recommend access to a sandbox for all license types simultaneously, thorough and repeatable training opportunities, and then a staggered rollout. Cultivators would be the first licenses to go live, then mid-stream supply chain license types such as distributors, manufacturers, and lab testing. Retail license types would be the final recipient of Metrc access. [0551; 4H.13]

Response: CDFA acknowledges the comment regarding the California Track-and-Trace Metrc system but this comment is not related to the proposed regulations.

Comment: Please add an option in the CCTT-Metrc system for green waste recycling. Cannabis green waste should be able to be dropped at a manufacturing facility for further processing before being disposed of. This is being done in AZ and NV. This would reduce the toxins and quality of green waste that must be composted or dropped at solid waste facilities. This would reduce the amount of flower needed to support demand, further reducing water and electricity required to support this industry. [0560]

Response: CDFA disagrees with the comment. In the California Track-and-Trace Metrc system the licensee must weigh and report all cannabis waste associated with each harvest batch of cannabis cultivated. Reported cannabis waste cannot be packaged for transfer or sale to another licensed commercial cannabis business. Cannabis waste must be properly disposed which includes the ability for green waste recycling.

Comment: Cultivators must be allowed to combine batches that have similar cannabinoid and terpene profiles to ensure the production of standardized medicine and other cannabis goods. [0574; 4H.34]

Response: CDFA disagrees with this comment. CDFA's regulations did not establish that a harvest batch must be uniform strain. This requirement was established by the Legislature in Business and Professions Code section 26001, subdivision (d)(1). CDFA's regulations merely implement this statute.

Comment: Please allow for the transfer of plants and seeds from cultivator to nursery. This will allow nurseries to work on a contract and allow the preservation of cultivators. **[4H.27]**

Response: CDFA disagrees with this comment. Pursuant to CDFA regulation section 8300, subdivision (c), only individuals/entities that hold a nursery license may propagate immature plants or seeds for distribution to another licensee.

Comment: Request Beta test the CCTT-Metrc system prior to release to check for bugs or errors before it goes into widespread use. **[0119; 0391; 0413; 0421; 0450; 0559; 4H.14]**

Response: CDFA acknowledges the comment regarding the California Track-and-Trace Metrc system but this comment is not related to the proposed regulations.

Comment: Suggest the state farms out CCTT as a cloud service. **[0421; 0450]**

Response: CDFA acknowledges the comment regarding the California Track-and-Trace system but this comment is not related to the proposed regulations.

Comment: Will the vendor provide system support? Is the state funding the support? Is there an alternative? **[0421; 0450]**

Response: CDFA acknowledges the comment regarding California Track-and-Trace system but this comment does not specifically reference any proposed regulation to be changed.

Comment: Will the state guarantee there is no data corruption since the licensee is responsible for the accuracy of the data? **[0421; 0450]**

Response: CDFA acknowledges the comment regarding the California Track-and-Trace system but this comment is not related to the proposed regulations.

Comment: (Comment directed to BCC and DPH regulations and their inconsistency with CDFA regulations.) Commenter objects to the BCC and DPH requirements that an owner must serve as the CCTT system account manager and prefers the CDFA language which allows an employee to serve as the CCTT account manager. BCC and CDFA regulations should be consistent. **[0359; 0421]**

Response: CDFA agrees with this comment regarding an inconsistency in regulations among the licensing authorities. In order to be consistent with BCC and DPH regulations, CDFA made applicable revisions to section 8402, subdivision (c) accordingly to require an account manager to be an owner.

Comment: CDFA and BCC's regulations regarding who shall be an account manager are not consistent. BCC designates an owner while CDFA designates an owner, designated responsible party, or designated agent. **[0450]**

Response: CDFA agrees with this comment and has made applicable revisions to section 8402, subdivision (c) accordingly. The proposed regulations now read: "Pursuant to section 8109 of this chapter, each licensee shall identify an owner in the licensee's organization to be the licensee's track-and-trace system account manager."

Comment: Commenter agrees with the changes to section 8402(c) regarding who may be designated as a CCTT account manager. **[0482]**

Response: CDFA disagrees with this comment and made applicable revisions to section 8402, subdivision (c) accordingly based upon other comments received regarding designation of the account manager and to be consistent with the regulations of the other cannabis licensing authorities.

Comment: Regarding section 8402(c)(1), change the deadline for an annual licensee recipient who has not taken the CCTT New Account Manager Training prior to receiving the annual license, from five (5) business days to ten (10) business days. **[0310; 0311; 0328; 0398; 0506; 0604]**

Response: CDFA disagrees with this comment. The requirement for a short timeframe is established in Business and Professions Code section 26069, subdivision (c)(2)(A), which requires CDFA to issue UID tags as quickly as possible. CDFA's regulations implement the statute by requiring a five (5) day window to register for training after an annual license has been issued. The California Cannabis Track-and Trace -Metrc Account Manager New Business System Training becomes available to annual license applicants upon notice of a complete annual application so that training may be completed while their application is being reviewed. Given application processing time, applicants have, at a minimum, weeks to complete the required training prior to issuance of the annual license. The CDFA believes the five (5) day timeframe is reasonable for licensees to register for the required training after annual license issuance and necessary to comply with the intent of Business and Professions Code section 26069, subdivision (c)(2)(A).

Comment: Regarding section 8402(c)(4), the immediacy requirement of notification of discontinued authorized use is impractical for rural areas where internet is not available. Prefer wording to state as soon as possible, or not later than three (3) days. **[0127; 0351; 0364; 0398; 0421; 0325; 0328; 0341; 0296; 0298; 0310; 0311; 0312; 0315; 0318; 0446; 0447; 0450; 0471; 0479; 0506; 0530; 0542; 0548; 0572; 0584; 0589; 0603; 0604]**

Response: CDFA agrees with the comment. CDFA amended section 8402, subdivision (c)(4) to allow for up to three (3) calendar days to remove a California Track-and-Trace system user.

Comment: A systematic CCTT-Metrc outage effectively halting cannabis commerce would have a devastating impact on licensees and consumer confidence in the regulated market. **[0032]**

Response: CDFA disagrees with the comment. It is well known that occasional failure of digital systems may occur across virtually every industry. Therefore, CDFA incorporated provisions for system failure into its regulations. Except for transferring product, business operations may continue as normal. Cultivators will have to track activities during loss of access and have three (3) business days to enter those activities into the system after access has been restored.

Comment: Remove/amend 8402, subdivision (e)(3), which states that a licensee shall not transfer cannabis to a distributor during a CCTT system outage. [0048; 0057; 0066; 0072; 0092; 0106; 0143; 0151; 0119; 0331; 0297; 0391; 0413; 0416; 0432; 0466; 0474; 0516; 0551; 0571; 4H.14; 4H.36]

Response: CDFA has decided not to accommodate this comment because the California Track-and-Trace system, established by the Legislature in Business and Professions Code section 26067, subdivision (a) requires the use of a track and trace program for “reporting the movement of cannabis and cannabis products throughout the distribution chain.” While the regulations allow for cultivation activities to continue during loss of access to the California Track-and Trace system, movement may not occur since it is required to be tracked in the system by law.

Comment: What if a system outage occurs? [0421; 0450]

Response: CDFA acknowledges the comment but this comment is not related to the proposed regulations.

Comment: If the CCTT system goes down or core functionality is unavailable for less than five (5) days, any activity that occurred during the loss of access should be entered into the system within three (3) days. If there is loss of access to the system for more than five (5) days, the licensee shall be granted one additional business day for each day the system was unavailable. [0466; 0474]

Response: CDFA disagrees with the comment. Because the California Track-and-Trace system is a critical tool for state licensing agencies to monitor and track cannabis activities and to protect against unlawful inversion to and diversion from the commercial cannabis supply chain, it is necessary for licensees to keep accurate records during a temporary loss of access to the system. It was determined that three (3) days provides a reasonable amount of time to enter inventory tracking activities that have occurred during the loss of access, once access is restored, or to obtain access to the system at an alternate connection point and enter the required data.

Comment: If access to the CCTT system is temporarily lost, change the reporting timeline for entering data into the restored system from three (3) days to seven (7) days. **[0573]**

Response: CDFA disagrees with the comment. Because the California Track-and-Trace system is a critical tool for state licensing agencies to monitor and track cannabis activities and to protect against unlawful inversion to and diversion from the commercial cannabis supply chain, it is necessary for licensees to keep accurate records during a temporary loss of access to the system. It was determined that three (3) days provides a reasonable amount of time to enter inventory tracking activities that have occurred during the loss of access, once access is restored, or to obtain access to the system at an alternate connection point and enter the required data.

Comment: Section 8402(e)(1) seems contradictory to section 8402(e)(3). **[0432; 0466; 0474]**

Response: CDFA disagrees with this comment. Section 8402, subdivision (e)(1) imposes a three (3) day deadline for entering inventory tracking activities conducted during loss of access to the California Track-and-Trace, while subdivision (e)(3) prohibits all transfers until the information is recorded.

Comment: Regarding section 8402(e), if access to the CCTT system is temporarily lost, add text to the end subdivision (e)(1): Once access to the to the CCTT system is restored, all

inventory tracking activities that occurred during the loss of access shall be entered into the track-and-trace system within three (3) business days. ADD: “unless authorized by the Department” to ensure flexibility in the event of an extended outage. Grant regulators discretion to allow normal commercial activity in the event of an extended outage. **[0524; 0559; 0573]**

Response: CDFA disagrees with the comment. Because the California Track-and-Trace system is a critical tool for state licensing agencies to monitor and track cannabis activities and to protect against unlawful inversion to and diversion from the commercial cannabis supply chain, it is necessary for licensees to keep accurate records during a temporary loss of access to the system. It was determined that three (3) days provides a reasonable amount of time to enter inventory tracking activities that have occurred during the loss of access, once access is restored, or to obtain access to the system at an alternate connection point and enter the required data.

Comment: Amend section 8402(e)(3) to allow the transfer of cannabis as long as the parties submit paper records of the transfer to the Department. **[0259]**

Response: CDFA disagrees with this comment. The mandated California Track-and-Trace system, established by the Legislature in Business and Professions Code section 26067, subdivision (a), requires the use of a track and trace program for “reporting the movement of cannabis and cannabis products throughout the distribution chain.” While the Department’s proposed regulations allow for cultivation activities to continue during loss of access to the track-and-trace system, movement may not occur, since it required to be tracked in the system by law.

Section 8403. Track-and-Trace System Unique Identifiers (UID)

Comment: Clarify that since a city or county may administer UIDs for a local track and trace program that licensees are clear that a city or county program shall not supplant the Department’s CCTT-Metric program. **[0405]**

Response: CDFA disagrees with this comment. The requirement to use the California Track-and Trace system is mandated by Business and Professions Code section 26067. It is not necessary to clarify that city or county systems do not take the place of the California Track-and Trace system.

Comment: Track & Trace is not covered consistently among the three licensing authorities' regulations. **[0450]**

Response: CDFA acknowledges the comment, but the commenter does not specifically reference any proposed regulation to be changed. The three licensing authorities have been actively collaborating on proposed regulations to make them consistent where possible.

Comment: Regarding section 8403(a)(1), it would be beneficial to have a local designee to supply UID tags; could be a benefactor to help the community by helping CDFA provide the tags to the community. **[4H.34]**

Response: CDFA disagrees with this comment and has decided not to accommodate it. Business and Professions Code section 26069, subdivision (c)(2)(3) specifically states that UID tags shall only be issued to those persons appropriately licensed by this section. It further states that CDFA shall take adequate steps to establish protections against fraudulent unique identifiers and limit illegal diversion of UID tags to unlicensed persons. Allowing licensees or other entities to distribute UID tags in an uncontrolled environment would neither conform to the intent of statute nor prevent fraud, inversion, or diversion.

Comment: Regarding section 8403(a)(4), seed should be entered into the CCTT system at the time of germination with source information. **[0136; 0398; 0328; 0310; 0311; 0506; 0604]**

Response: CDFA disagrees with this comment. All cannabis propagated onsite, by a nursery, or purchased from a licensed nursery as seedling, is required to be entered into the California Track-and-Trace system once the seed has germinated and it is tracked as an immature plant in an immature plant lot.

Comment: Request UID tagging to be limited to one tag per planting. [0005]

Response: CDFA disagrees with the comment. CDFA's proposed regulations do not establish the requirement that industry tag each plant. This requirement was established in Business and Professions Code section 26069, subdivision (c)(2)(A). CDFA's regulations merely implement this statute.

Comment: Labeling each plant in a lot will require additional resources not provided by the state. [0031]

Response: CDFA disagrees with the comment. Every business in the state incurs certain operational costs associated with regulatory compliance. This is well-established and in line with standard business conventions. Providing plant labels would increase the licensing fees, which would be contrary to the MAUCRSA mandate to keep costs as low as possible while covering program costs.

Comment: Direct guidelines/suggestions on how to label plants in a lot are not provided. [0031]

Response: CDFA disagrees with the comment. So as not to overregulate, CDFA did not want to set express instructions in regulation regarding the design of the lot label so that industry could have the flexibility to devise individualized labeling protocols that would be effective for various business models.

Comment: Labeling individual plants in a lot would cause issues for the growth of the plant while it is at a young age, such as lack of airflow or light. [0031]

Response: CDFA disagrees with the comment. Business and Professions Code section 26069, subdivision (c)(2)(A) states that a unique identifier shall be issued for each cannabis plant. CDFA received comments from industry during the two emergency regulation comment

periods and as a result adopted the concept of tagging per lot of up to 100 immature plants without requiring individual UID tagging of fragile immature clones to prevent plant damage. The lot requires only one UID tag. To comply with statute, which requires a unique identifier to be issued for each plant, CDFA determined that a label, which is not required to be attached to the plant stem, containing the lot UID number will comply with the intent of the law.

Comment: Having to label individual clones in the “lot” defeats the purpose of having a “lot” at all. [0031]

Response: CDFA disagrees with the comment. Business and Professions Code section 26069, subdivision (c)(2)(A) states that a unique identifier shall be issued for each cannabis plant. CDFA received comments from industry on earlier versions of regulations and based on public comments adopted the concept of tagging per lot of up to 100 immature plants without requiring individual UID tagging of fragile immature clones to prevent plant damage. The lot requires only one UID tag. To comply with the state law which requires a unique identifier to be issued for each plant, CDFA determined that a label, which is not required to be attached to the plant stem, containing the lot UID number will comply with the intent of the law.

Comment: Remove the requirement of labeling each individual clone within a lot with the lot UID. [0031]

Response: CDFA disagrees with the comment. Business and Professions Code section 26069, subdivision (c)(2)(A) states that a unique identifier shall be issued for each cannabis plant. CDFA received comments from industry on earlier versions of regulations and based on public comments adopted the concept of tagging per lot of up to 100 immature plants without requiring individual UID tagging of fragile immature clones to prevent plant damage. The lot requires only one UID tag. To comply with the state law which requires a unique identifier to be issued for each plant, CDFA determined that a label, which is not required to be attached to the plant stem, containing the lot UID number will comply with the intent of the law. So as not to overregulate, CDFA did not want to set express instructions in regulation regarding the

design of the lot label, so that industry would have the flexibility to devise a system for various business models.

Comment: Suggest when a plant is transplanted from a cloning medium into a growth medium the plant be removed from the lot and given an individual UID tag. **[0031]**

Response: CDFA disagrees with the comment. Business and Professions Code section 26069, subdivision (c)(2)(A) states that a unique identifier shall be issued for each cannabis plant. CDFA received comments from industry on earlier versions of regulations and based on public comments adopted the concept of tagging per lot of up to 100 immature plants without requiring individual UID tagging of fragile immature clones to prevent plant damage. The lot requires only one UID tag. To comply with the state law which requires a unique identifier to be issued for each plant, CDFA determined that a label, which is not required to be attached to the plant stem, containing the lot UID number will comply with the intent of the law. So as not to overregulate, CDFA did not want to set express instructions in regulation regarding the design of the lot label, so that industry would have the flexibility to devise a system for various business models.

Comment: It is redundant to have lots of immature plants while having to label each individual plant. **[0031]**

Response: CDFA disagrees with the comment. Business and Professions Code section 26069, subdivision (c)(2)(A) states that a unique identifier shall be issued for each cannabis plant. CDFA received comments from industry on earlier versions of regulations and based on public comments adopted the concept of tagging per lot of up to 100 immature plants without requiring individual UID tagging of fragile immature clones to prevent plant damage. The lot requires only one UID tag. To comply with the state law which requires a unique identifier to be issued for each plant, CDFA determined that a label, which is not required to be attached to the plant stem, containing the lot UID number will comply with the intent of the law. So as not to overregulate, CDFA did not want to set express instructions in regulation regarding the

design of the lot label, so that industry would have the flexibility to devise a system for various business models.

Comment: There is no proposed method of labeling individual clones that will not affect plant growth. [0031]

Response: CDFA disagrees with the comment. Business and Professions Code section 26069, subdivision (c)(2)(A) states that a unique identifier shall be issued for each cannabis plant. CDFA received comments from industry on earlier versions of regulations and based on public comments adopted the concept of tagging per lot of up to 100 immature plants without requiring individual UID tagging of fragile immature clones to prevent plant damage. The lot requires only one UID tag. To comply with the state law which requires a unique identifier to be issued for each plant, CDFA determined that a label, which is not required to be attached to the plant stem, containing the lot UID number will comply with the intent of the law and prevent tags from damaging immature plants. So as not to overregulate, CDFA did not set express instructions in regulation regarding the design of the lot label, so that industry would have the flexibility to devise a system for various business models.

Comment: There is no requirement for the lot labels to be tamper-evident like the UID tags. Assume because affixing a UID tag to an immature plant would damage the plant. [0031]

Response: CDFA disagrees with the comment. CDFA received comments from industry on earlier versions of regulations and based on public comments adopted the concept of tagging per lot of up to 100 immature plants using only one “tamper-evident” UID tag assigned to lot, and labels containing the assigned UID number placed on each immature plant in the lot. This was determined by CDFA as acceptable and in compliance with the intent of the law because the plants are not considered viable (except as clones) until they are flowering, and therefore carry a low risk for diversion or inversion. Consideration was also given for a potential increase in plant mortality if an individual UID had to be attached to the base of a plant at this early stage in the lifecycle.

Comment: Washington State requires plants to be tagged when they reach 8 inches; Ohio uses 12 inches, or when the plant is moved to a new growing medium. **[0031]**

Response: CDFA disagrees with the comment. Both Colorado and Oregon require UID tagging at an immature stage. CDFA received comments from industry on earlier versions of cannabis regulations and based on the public comments adopted the concept of tagging per lot of up to 100 immature plants without requiring individual UID tagging of fragile immature clones to prevent potential damage to the plant. To clarify, the lot requires one UID tag; each immature plant requires only a label containing the lot UID tag number.

Comment: It is unfair to the licensee to have to dedicate extra resources for redundant labeling that in no way helps our fellow Californians. **[0031]**

Response: CDFA disagrees with the comment. CDFA regulations did not establish that a UID must be attached to immature plants. This requirement was established by the Legislature in Business and Professions Code section 26069, subdivision (c)(2)(A) which states that a unique identifier shall be issued for each cannabis plant. CDFA's regulations merely implement this statute. A requirement to affix a UID tag to immature, as well as flowering plants, would require CDFA to increase the UID tag supply exponentially. Since the licensing fees include the cost of UID tags, this tag supply increase would drive up the cost of a license.

Comment: Regarding section 8403(b)(1), request to allow cultivation licensees of 10,000 sq/ft or less be exempt from lot tagging and labeling, to protect pest infestations, disease, and susceptibility to common characteristics. **[0136; 0310; 0311; 0328; 0398; 0506; 0604]**

Response: CDFA disagrees with the comment. Business and Professions Code section 26069, subdivision (c)(2)(A) states that a unique identifier shall be issued for each cannabis plant. That each plant must be tagged with a UID is not a requirement in CDFA regulations. This is a requirement under state law. CDFA received comments from industry on earlier versions of regulations and based on public comments adopted the concept of tagging per lot of up to 100 immature plants without requiring individual UID tagging of fragile immature

clones to prevent plant damage. The lot requires only one UID tag. To comply with the state law which requires a unique identifier to be issued for each plant, CDFA determined that a label, which is not required to be attached to the plant stem, containing the lot UID number will comply with the intent of the law.

Comment: Amend section 8403 so that any batch of fewer than 50 plants does not require a UID. [0136; 0310; 0311; 0328; 0398; 0506; 0604]

Response: CDFA disagrees with the comment. Business and Professions Code section 26069, subdivision (c)(2)(A) states that a unique identifier shall be issued for each cannabis plant. CDFA received comments from industry on earlier versions of regulations and based on public comments adopted the concept of tagging per lot of up to 100 immature plants without requiring individual UID tagging of fragile immature clones to prevent plant damage. The lot requires only one UID tag. To comply with the state law which requires a unique identifier to be issued for each plant, CDFA determined that a label, which is not required to be attached to the plant stem, containing the lot UID number will comply with the intent of the law.

Comment: Regarding section 8403(b)(1), allow lot size to be 500 or 1000 immature plants to reduce administrative costs. [0165]

Response: CDFA disagrees with this comment. The one-hundred (100) plant maximum per immature lot of plants consisting of a uniform strain was determined by CDFA to be a reasonable number to facilitate field inspections, validate corresponding data entered into the track-and-trace system, and maintain an effective mechanism to trace product back to its source. Also, the comment does not provide any information to support the statement that larger lot sizes would reduce administrative costs for a licensee. Allowing larger immature lots would make inspections and validation more onerous on CDFA and would likely result in longer site inspections.

Comment: Regarding section 8403(b)(3), tagging each individual plant is burdensome; wasteful, pointless. [0005; 0098]

Response: CDFA disagrees with the comment. CDFA's regulations do not establish the requirement that industry tag each plant. This requirement is established in Business and Professions Code section 26069, subdivision (c)(2)(A). CDFA's regulations merely implement this statute.

Comment: Oppose tagging individual flowering plants as too time consuming. [0409]

Response: CDFA disagrees with the comment. CDFA's regulations do not establish the requirement that industry tag each plant. This requirement is established in Business and Professions Code section 26069, subdivision (c)(2)(A). CDFA's regulations merely implement this statute.

Comment: We support section 8403 which allows for plants to be individually tagged before flowering. [4H.23]

Response: CDFA acknowledges the comment, thanks the commenter for its support of section 8403.

Comment: If the plant tags are to be kept free from dirt and debris, the requirement should be that the tag be placed at eye level. Placing tags at the base of the plant may prevent them from being seen. Has anyone involved in writing these regulations ever farmed? [0421; 0450]

Response: CDFA disagrees with this comment. CDFA's regulations did not establish that plant tags must be placed at the base of the plant. This requirement is established in Business and Professions Code section 26069, subdivision (c)(2)(A). CDFA's regulations merely implement this statute.

Section 8405. Track-and-Trace System Reporting Requirements

Comment: Provide the ability for producers to provide samples labeled "Not for Resale" to distributors and retailers in the CCTT system. [0391; 0551; 0571; 4H.15]

Response: CDFA disagrees with this comment. Pursuant to MAUCRSA, cultivation, distribution and retail sale of cannabis is deemed commercial activity that requires licensure, and pursuant to Business and Professions Code section 26153, licensees are prohibited from giving away any amount of cannabis or cannabis products as part of a business promotion or commercial activity.

Comment: Implies that in order to report the product in various stages of processing the cultivation site needs to include packaging, labeling, and storing tasks. **[0309; 0333; 0336]**

Response: CDFA acknowledges the comment, but the commenter does not provide enough specificity for CDFA to consider changes to the proposed regulations.

Comment: Regarding section 8405(a), the excessive tracking will encourage folks to resort to growing processes that will increase biological activities. This is so onerous that it will end up encouraging growers to game the system. **[0482]**

Response: CDFA acknowledges the comment, but the commenter does not provide enough specificity for CDFA to consider changes to the proposed regulations.

Comment: Regarding section 8405(c)(4)(A), objection to requirement of documenting wet weight; too difficult; remove requirement. **[0005; 0098; 0165; 0310; 0311; 0328; 0398; 0490; 0506; 0508; 0561; 0599; 0604; 4H.15]**

Response: CDFA disagrees with this comment. Per Business and Professions Code section 26067, subdivision (a), CDFA must establish a track and trace program for reporting the movement of cannabis and cannabis products throughout the distribution chain. Section 26067, subdivision (b)(1) requires CDFA to create an electronic database containing the electronic shipping manifests to facilitate the administration of the track and trace program, including the quantity or weight of the product. Because section 26067, subdivision (b)(2)(A) requires the database to flag irregularities for all licensing authorities to investigate, data

regarding wet weight, waste weight, and net weight is necessary to identify irregularities regarding purported moisture loss and possible inversion or diversion that may occur at harvest.

Comment: Regarding section 8405(c)(4)(A), taking wet weight delays the drying and curing process, potentially degrading the product which can affect the product value. [0005]

Response: CDFA disagrees with this comment. Per Business and Professions Code section 26067, subdivision (a), CDFA must establish a track and trace program for reporting the movement of cannabis and cannabis products throughout the distribution chain. Section 26067, subdivision (b)(1) requires CDFA to create an electronic database containing the electronic shipping manifests to facilitate the administration of the track and trace program, including the quantity or weight of the product. Because section 26067, subdivision (b)(2)(A) requires the database to flag irregularities for all licensing authorities to investigate, data regarding wet weight, waste weight, and net weight is necessary to identify irregularities regarding purported moisture loss and possible inversion or diversion that may occur at harvest.

Comment: Regarding section 8405(c)(4)(A), the time to take a wet weight more than doubles the cost of processing a harvest. [0005]

Response: CDFA disagrees with this comment. Per Business and Professions Code section 26067, subdivision (a), CDFA must establish a track and trace program for reporting the movement of cannabis and cannabis products throughout the distribution chain. Section 26067, subdivision (b)(1) requires CDFA to create an electronic database containing the electronic shipping manifests to facilitate the administration of the track and trace program, including the quantity or weight of the product. Because section 26067, subdivision (b)(2)(A) requires the database to flag irregularities for all licensing authorities to investigate, data regarding wet weight, waste weight, and net weight is necessary to identify irregularities regarding purported moisture loss and possible inversion or diversion that may occur at harvest.

Comment: Regarding section 8405(c)(4)(A), wet weight needs to be defined, as to what part of the plant should be weighed, stalks, stems, root balls, etc. [0310; 0311; 0328; 0398; 0506; 0604; 4H.34]

Response: CDFA disagrees with this comment. Wet weight is defined in CDFA's proposed regulation section 8000, subdivision (af) which clearly defines what should be considered in the wet weight. Section 8405, subdivision (c)(4)(D) also provides alternatives for initial harvesting of individual plants. These sections are to ensure licensees enter accurate information in the California Track-and-Trace system, provide flexibility with respect to harvesting methods and to facilitate the calculation of the cultivation tax post-harvest pursuant to Revenue and Taxation Code section 34012, subdivision (a).

Comment: Regarding section 8405(c)(4), objection to requirement of documenting waste weight; undue burden, unverifiable. [0165; 4H.35]

Response: Per Business and Professions Code section 26067, subdivision (a), CDFA must establish a track and trace program for reporting the movement of cannabis and cannabis products throughout the distribution chain. Section 26067, subdivision (b)(1) requires CDFA to create an electronic database to facilitate the administration of the track and trace program, including the quantity or weight of the product. Because section 26067, subdivision (b)(2)(A) requires the database to flag irregularities for all licensing authorities to investigate, data regarding wet weight, waste weight, and net weight is necessary to identify irregularities regarding purported moisture loss and possible inversion or diversion that may occur at harvest.

Comment: Regarding section 8405(c)(4), add reporting requirement in CCTT that identifies whether the product is intended "For Medical Use Only," which will assist cities that are required by law to regulate medical and adult-use cannabis businesses separately. [0179]

Response: CDFA disagrees with this comment. The differentiation between product types is already evident from the California Track-and-Trace system based upon the licensee's account. Section 8102, subdivision (b) requires applications to be for either an M (Medicinal) or A (Adult-use) license. Pursuant to Business and Professions Code section 26069, subdivisions (c)(2)(B) & (C) respectively, unique identifiers (UID) shall only be issued to those persons appropriately licensed, and information associated with the assigned UID and licensee shall be included in the track-and-trace program specified in 26067. Per section 8402, each license is required to have a separate California Track-and Trace account which indicates whether an A or M license has been issued; therefore, it is apparent within the California Track-and-Trace system the classification (M or A) of the product.

Comment: Regarding section 8405(c)(4), would like to be able to show in the CCTT system that the business is shutting down for the winter. (Comment relates to section 8102(f)). **[0275]**

Response: The regulations currently accommodate this comment. Section 8204, subdivision (a)(3) requires all licensee to notify CDFA when they have a temporary closure. This includes seasonal closures associated with outdoor cultivation.

Comment: Regarding section 8405(c)(4), the concept of weighing and entering into track-and-trace each portion of harvested material from each plant is micromanaging and excessive. Note the wide range of variables that cause plant yields to vary. Unless tracking for individual strains, the data will not be useful. **[0482; 0551]**

Response: CDFA acknowledges the comment, but the commenter does not provide enough specificity for CDFA to consider changes to the proposed regulations. The requirement of weighing and documenting within the California Track-and-Trace system the harvested material from each plant was established in Business and Professions Code section 26067, subdivision (b)(1). CDFA's regulations merely implement this statute.

Comment: Regarding section 8405(c)(4), harmonize the date format required in all track and trace functions to the year-month-day format. (YYYY/MM/DD). **[0574]**

Response: CDFA is unable to accommodate this comment because the California Track-and-Trace system is being provided to the state as “software as a service.” The date format is associated with the base software system. Changing the date format to accommodate this comment would potentially adversely impact deployment of Metrc software to other states that are under contract with the vendor, Franwell, Inc., and use Metrc software.

Comment: Would like more detail in section 8405(c)(4)(D) as to how to name a harvest batch. **[4H.35]**

Response: CDFA disagrees with this comment. The level of detail in this section is adequately explained and CDFA has decided not to accommodate this comment. The commenter has not provided any specificity as to what details would be necessary to include.

Comment: Regarding section 8405, proposed subdivision (d)(5)(B) is not a Track-and-Trace entry requirement, but rather a procedural mandate and seems out of place. Incorporation of that language into subdivision (d)(5)(A) is more appropriate. **[0481]**

Response: CDFA agrees with this comment and made the suggested revisions to section 8405, subdivisions (d)(5)(A) and (B).

Comment: Regarding section 8405(d)(6) & (7), objection to the requirement to include an estimated departure and arrival time in CCTT. **[2H.6]**

Response: CDFA disagrees with the comment. CDFA’s regulations do not establish the requirement that licensees report an estimated time of departure and arrival. This requirement is established in Business and Professions Code section 26067, subdivision (b)(1)(B) which provides that the California Track-and-Trace system shall include the estimated times of departure and arrival. CDFA’s regulations merely implement this statute.

Comment: Regarding section 8405(d)(6) & (7), agree with the need for the actual departure and arrival time, just not the estimated arrival and departure times. **[2H.6]**

Response: CDFA disagrees with the comment. CDFA's regulations do not establish the requirement that licensees report an estimated time of departure and arrival. This requirement was established by the Legislature in Business and Professions Code section 26067, subdivision (b)(1)(B) which provides that the California Track-and-Trace system shall include the estimated times of departure and arrival. CDFA's regulations merely implement this statute.

Comment: Regarding section 8405(d)(6) & (7), requiring entering estimated departure and arrival times in CCTT will be confusing to those trying to be compliant. Without the estimates, the regulations still require actual departure and arrival time. This should be sufficient to avert diversion. **[2H.6]**

Response: CDFA disagrees with the comment. CDFA's regulations do not establish the requirement that licensees report an estimated time of departure and arrival. This requirement is established in Business and Professions Code section 26067, subdivision (b)(1)(B) which provides that the California Track-and-Trace system shall include the estimated times of departure and arrival. CDFA's regulations merely implement this statute.

Section 8406. Track-and-Trace System Inventory Requirements.

Comment: Section 8406 implies that in order to inventory the product and prepare it for distribution, the cultivation site needs to properly package, label, and store. **[0309; 0333; 0336]**

Response: CDFA acknowledges the comment, but the commenter does not provide enough specificity for CDFA to consider changes to the proposed regulations.

Comment: Regarding section 8406(a), reconciling all on-premises and in-transit cannabis at least once every fourteen (14) days is burdensome and unnecessary. Prefer quarterly reconciliations. **[0165]**

Response: CDFA has accommodated this comment by revising regulatory language to reflect that inventory reconciliation must occur every thirty (30) calendar days. Though CDFA deemed quarterly reconciliations as too infrequent due to potential loss of accountability, thirty (30) days is less burdensome and will comply with the requirements of Business and Professions Code section 26160, subdivision (a).

Comment: Regarding section 8406(a), reconciling all on-premises and in-transit cannabis at least once every fourteen (14) days is burdensome and unnecessary. Change/change to “monthly.” [0321; 0421; 0450; 0551; 4H.14; 4H.35]

Response: CDFA agrees with this comment in part and has revised regulatory language to require inventory reconciliation every thirty (30) calendar days.

Comment: In section 8406(b), remove the language “or within sixty (60) calendar days from the initial harvest date, whichever is sooner.” [0310; 0311; 0328; 0398; 0506; 0604; 4H.5]

Response: CDFA disagrees with this comment. Based upon industry input and feedback, CDFA learned that although drying, trimming, and curing techniques can vary significantly from cultivator to cultivator, the majority of these activities were completed by cultivators within sixty (60) days of harvest. In recognition of potential variability from cultivator to cultivator and to meet the mandated need to establish a basis and a date certain for determining the “dry-weight ounce” of flowers and leaves for calculation of the cultivation tax, CDFA determined that sixty (60) days is a reasonable time limit for the majority of drying, trimming, and curing activities to be completed, and for the net weight to be determined and entered into the California Track-and-Trace system.

Section 8408. Inventory Audits.

Comment: Allow third party certification agencies to conduct inspections of behalf of the regulatory agencies. [0030]

Response: CDFA disagrees with this comment. Although Business and Professions Code section 26069.1 provides CDFA with the authority to enter into cooperative agreements with a county agricultural commissioner or other state or local agency to assist CDFA in implementing the provisions of MAUCRSA related to inspections of licensed cultivators, this authority does not extend to private entities.

Comment: Opposed to the Department's ability to conduct inventory audits without providing prior notice. [0328; 0310; 0311; 0398; 0506; 0604]

Response: CDFA disagrees with this comment. Inventory audits are necessary to ensure a proper accounting of all cannabis and cannabis products and to deter activities associated with the unlawful inversion and/or diversion of cannabis and cannabis products to and from the licensed commercial cannabis distribution chain. If CDFA suspects non-compliant activities either through the discovery of anomalies in the California Track-and-Trace system or via a WeedTip/public complaint, CDFA must have the ability to make an unannounced site inspection to ascertain if there is any illegal activity occurring on-site. Unannounced visits are a critically important tool for regulatory oversight.

Section 8409. Notification of Diversion, Theft, Loss, or Criminal Activity.

Comment: Request additional language be added because local authorities have limited resources to conduct enforcement. Licensees shall notify the Department and law enforcement authorities within three (3) business days of discovery of any diversion, theft, loss of, or criminal activity related to licensee's cannabis or nonmanufactured cannabis products. Suggested addition: The Department shall partner with the local authority of the relevant jurisdiction on any enforcement actions related to said activity. [0322]

Response: CDFA disagrees with this comment. Business and Professions Code sections 26200, subdivisions (a) & (b) already provides authorization to local authorities to adopt and enforce local ordinances to regulate businesses licensed under the statute. Further, subdivision (b) does not require CDFA to undertake local law enforcement responsibilities, enforce local licensing, or enforce other authorization requirements.

ARTICLE 6. INSPECTIONS, INVESTIGATIONS, AND AUDITS

Section 8500. Inspections, Investigations, and Audits Applicability.

Comment: Allow third party certification agencies to conduct inspections of behalf of the regulatory agencies. **[0030]**

Response: CDFA disagrees with this comment. Although Business and Professions Code section 26069.1 provides CDFA with the authority to enter into cooperative agreements with a county agricultural commissioner or other state or local agency to assist CDFA in implementing the provisions of MAUCRSA related to inspections of licensed cultivators, this authority does not extend to private entities.

Comment: CalCannabis should expand its inspection coordination to include the State Organic Program as well as Department of Fish and Wildlife and State Water Resources Control Board inspections. **[0400; 0401]**

Response: CDFA partially agrees with this comment but it is not necessary to change the current regulatory language. Business and Professions Code section 26069.1 provides CDFA with the authority to enter into cooperative agreements with a county agricultural commissioner or other state or local agency to assist CDFA in implementing the provisions of MAUCRSA related to inspections of licensed cultivators. There is currently no authority for cannabis cultivation to apply for or receive organic certification. As such, the State Organic Program would not be conducting inspections with CDFA at this time.

Section 8501. Inspections, Investigations, Examinations, and Audits

Comment: Allow third party certification agencies to conduct inspections of behalf of the regulatory agencies. **[0030]**

Response: CDFA disagrees with this comment. Although Business and Professions Code section 26069.1 provides CDFA with the authority to enter into cooperative agreements with a county agricultural commissioner or other state or local agency to assist CDFA in implementing

the provisions of MAUCRSA related to inspections of licensed cultivators, this authority does not extend to private entities.

Comment: Section 8501 should expressly reference a local jurisdiction's rights to conduct the same inspections, which are granted to local authorities per Business and Professions Code Section 26160(c). **[0405]**

Response: CDFA disagrees with this comment. Business and Professions Code section 26200, subdivisions (a) & (b) unequivocally provide authorization to local authorities to adopt and enforce local ordinances to regulate businesses licensed under MAUCRSA. Further, subdivision (b) does not require CDFA to undertake local law enforcement responsibilities, enforce local licensing, or enforce other authorization requirements. CDFA does not need to provide local jurisdictions with authority to conduct compliance inspections as Business and Professions Code section 26200 provides local jurisdictions with the authority to inspect.

Comment: Regarding section 8501(b), inspections of grow rooms should be allowed prior to 6am or after 7pm to prevent crop loss or damage by inspectors entering rooms when the plants are in darkness. **[0021]**

Response: CDFA disagrees with the comment. Business and Professions Code section 26160, subdivision (c) allows for inspections during standard business hours or at any other reasonable time. The statute allows for inspections outside of standard business hours and the regulations mirror that allowance in CDFA proposed regulation section 8501, subdivision (b) by allowing inspections to occur at a time otherwise agreed to by CDFA and the licensee or its agents, employees, or representatives.

Comment: Regarding section 8501(b), rural inspection protocols should include prior notice or at least a 2-day notice, prior to the inspection. **[0310; 0311; 0328; 0392; 0398; 0506; 0604; 4H.42]**

Response: CDFA disagrees with this comment. Inspections, investigations, examinations, and audits are necessary to ensure a proper accounting of all cannabis and cannabis products, and to deter activities associated with the unlawful inversion and/or diversion of cannabis and cannabis products to and from the licensed commercial cannabis distribution chain. This provision was added because unlike a regular audit which can be scheduled, an inspection or a site visit as part of an investigation may require an unannounced field visit. This is especially true during harvest which occurs at all hours due to the timely nature of the operation. The point of harvest has a higher risk of unlawful inversion to or diversion from the commercial cannabis supply chain than other times in the cannabis cultivation life cycle.

Comment: Regarding section 8501(d), request that the Department notify the licensee “within 10 calendar days” of an inspection, investigation, examination, or audit. Current regulations do not provide any timeline for the Department to notify the licensee. A timeframe should be included. **[0310; 0311; 0328; 0398; 0506; 0604]**

Response: CDFA disagrees with the comment. CDFA is not required to notify the licensee within a specific timeframe. Restricting CDFA to a specified timeframe would impair its ability to conduct investigations or perform inspections that produce accurate or truthful evidence of a licensee’s compliance since prior notice allows a licensee time to conceal acts of unlawful or noncompliant behavior.

Comment: Regarding section 8501(d), request for the Department to notify the local jurisdiction in which the licensee operates of any violation and or action the Department is taking. **[0322]**

Response: CDFA disagrees with this comment. Business and Professions Code section 26162, subdivision (c)(2) already requires licensing authorities to notify state or local agencies about apparent violations of the statute or local ordinances. Because this authorization was established by the Legislature, there is no need to include this language in CDFA’s regulations.

ARTICLE 7. ENFORCEMENT

Section 8600. Enforcement Applicability.

Comment: Please add language at the end of section 8600. Notwithstanding any other provision of law, the Department may take an administrative action at any time within five (5) years after the department discovers, or with reasonable diligence should have discovered, any violation of state law or local ordinances. ADD: “*consistent with the conditions of the Adult Use Marijuana Act.*” Proposition 64 in 2016 created pathways for some criminal convictions to be expunged. A five-year period may not be consistent with Proposition 64 conditions. **[0310; 0311; 0328; 0398; 0506; 0604]**

Response: CDFA disagrees with this comment. A conviction that has been dismissed pursuant to law is not a basis on which to deny a license per Business and Professions Code section 26059. In addition, the timeframe within which a licensing authority must commence an administrative action against a licensee is also set by statute in Business and Professions Code section 26034.

Comment: Regarding section 8600, how did CDFA arrive at a five-year timeframe to take an administrative action/upon discovery of a violation? **[0556]**

Response: CDFA disagrees with this comment. This requirement is established in Business and Professions Code section 26034. CDFA’s regulations merely implement this statute.

Section 8601. Administrative Actions.

Comment: The violation definitions are prohibitive. Provide an opportunity for remediation of technical violations that might otherwise be considered “serious” prior to their assessment as such. **[0524]**

Response: CDFA disagrees with this comment. Fine amounts were determined by calculating the potential impact of the violation on the environment, public safety, and CDFA’s ability to effectively administer the program. The classification definitions were developed based upon violation categories used in other CDFA programs. These regulations are necessary to provide licensees with a clear structure for the application of administrative penalties and to ensure

that CDFA is consistent and transparent in its application of administrative remedies associated with violations of the statutes and regulations.

Comment: Provide additional language explaining that “serious” violations are those that rise to the level of endangerment. Revisit the classifications of many of the “serious” violations within Table A, and downgrade to “moderate.” [0524]

Response: CDFA disagrees with the comment. CDFA proposed regulation section 8601, subdivision (a)(1) currently defines a level of endangerment by stating that the serious violations “cause significant false, misleading, or deceptive business practices, potential for significant level of public or environmental harm, or repeat violations.” Fine amounts were determined by calculating the potential impact of the violation on the environment, public safety, and CDFA’s ability to effectively administer the program. These definitions were developed based upon violation categories used in other CDFA programs.

Comment: Suggestion to revise the definition of a moderate violation to include undermining the enforcement of state or local laws. [0549]

Response: CDFA disagrees with this comment. Business and Professions Code section 26200, subdivisions (a) & (b) unequivocally provide authorization to local authorities to adopt and enforce local ordinances to regulate businesses licensed under MAUCRSA. Further, subdivision (b) does not require CDFA to undertake local law enforcement responsibilities, or enforce local licensing, or other authorization requirements. Additionally, Business and Professions Code section 26162 authorizes the licensing authorities to notify local authorities about violations of the statute. Other state and local agencies are free to pursue their own enforcement actions, based in part on information provided to them by CDFA.

Comment: Recommend that section 8601 be amended to parallel Title 3, Division 6 CCR 6130 which accounts for the varying severity of pesticide violations and creates a tiered approach to enforcement which accounts for this variation in a reasonable manner. Section 8601(a)(1) defines “Serious” violations as those which have potential for a significant level of

public or environmental harm. All “Serious” violations are subject to license revocation, and/or administrative civil penalties of up to \$5000/violation. Table A categorizes violations of section 8307 as serious violations without any consideration of the circumstances and relative risk or harm created by the violation. It is unreasonable to classify all pesticide violations as “Serious” without further accounting of the variability in the severity or risk associated with the individual violation. Commenter suggests a separate classification for pesticide violations as Class A, B, or C and defines these classifications. [0481]

Response: CDFA disagrees with this comment. Violations of section 8307 are considered serious because it has the potential for significant damage to the public health or the environment. CDFA believes that violations of the pesticide requirements in section 8307 meets this definition.

Comment: Regarding section 8601(c), a \$30,000 fine for failure to provide or maintain required records is high. It seems illegal. Change to a maximum percentage based on the cost of a license with a warning prior to assessing the fine. The amount of the fine may be all a farmer makes in a year. [0566; 4H.36]

Response: CDFA disagrees with this comment. CDFA’s regulations do not establish the \$30,000 fine requirement. This requirement is established in Business and Professions Code section 26160, subdivision (f). CDFA’s regulations merely implement this statute.

Section 8601(d): Table A.

Comment: Suggest striking the violation for failing to submit a new application for a change to the business entity type that includes any change of ownership. [0023]

Response: CDFA disagrees with this comment. The violations included in Table A of section 8601 simply restate regulatory sections and requirements found elsewhere in the proposed regulations. Business and Professions Code section 26051.5, sets forth the application requirements for each applicant, which includes businesses. (See also California Code of Regulations, title 3, section 8102.)

Comment: Downgrade the requirement to submit a new application for a change to the business entity type that includes any change of ownership, to: Notify the Department of a change in the business entity type that includes any change in ownership. **[0023]**

Response: CDFA disagrees with this comment. The violations included in Table A of section 8601 simply restate regulatory sections and requirements found elsewhere in the proposed regulations. Business and Professions Code section 26051.5, sets forth the application requirements for each applicant, which includes businesses. (See also California Code of Regulations, title 3, section 8102.)

Comment: Strike the requirement to submit a new application for a change to the business entity type that includes any change of ownership and strike the fine. Instead require notification to the department of a change in business entity type that includes any change of ownership and reduce the violation classification from moderate to minor. **[0023]**

Response: CDFA disagrees with this comment. The violations included in Table A of section 8601 simply restate regulatory sections and requirements found elsewhere in the proposed regulations. Business and Professions Code section 26051.5, sets forth the application requirements for each applicant, which includes businesses. (See also California Code of Regulations, title 3, section 8102.) A business entity that has not applied for a cultivation license and operates falsely under a different business entity's license violates Business and Professions Code section 26051.5 which is an unlawful act that undermines enforcement of the law and is likely to cause public or environmental harm, and therefore, qualifies as a "Moderate" violation under section 8601.

Comment: Power requirements must take off-grid condition into consideration. Violations to power and generator regulations must be handled with flexibility. **[0310; 0311; 0328; 0398; 0506; 0604]**

Response: CDFA disagrees with this comment. CDFA's regulations are not the basis for renewable energy requirements. These requirements were established by the Legislature in Business and Professions Code sections 26066 and 26201. CDFA's regulations merely implement statute. Similarly, the violations included in Table A of section 8601 simply restate regulatory sections and requirements found elsewhere in the proposed regulations.

Comment: Suggest revising text in Table A, Business and Professions Code section 26031, 3CCR 8108 as follows: Change the word "manned" to "staffed" throughout. **[0316]**

Response: CDFA disagrees with this comment. The violations included in Table A of section 8601 simply restate regulatory sections and requirements found elsewhere in the proposed regulations. Section 8108 references "manned" facilities and operations.

Comment: Commenter is pleased to see the proposed regulations empower the agency to take administrative actions against licensees for violations of any state laws including state labor law. **[0035]**

Response: CDFA acknowledges the comment. The commenter does not request any change to the proposed regulation.

Comment: Commenter expresses confusion and poses questions regarding violations listed in Table A. Harsh. Is this in addition to fees? **[0556]**

Response: CDFA acknowledges the comment, but the commenter does not provide enough specificity for CDFA to consider changes to the proposed regulations. The violations included in Table A of section 8601 simply restate regulatory sections and requirements found elsewhere in the proposed regulations. Violation classes are created to ensure licensee are operating in compliance with the referenced statutory and regulatory requirements and are in addition to application and licensing fees.

Comment: What if Metrc runs out of plant tags or package labels or if delivery is late? **[0556]**

Response: CDFA appreciates the commenter’s concern. CDFA has a contract with Franwell, Inc. the supplier of plant tags and package labels. The supplier is required to fill all tag and label orders in a timely fashion per the contract. This response is not in any way expected to raise concerns for licensees and the comment does not necessitate any modification to the regulations.

Section 8602. Notice of Violation.

Comment: Place “Administrative Hold” in the definitions chapter (section 8000). **[0310; 0311; 0328; 0398; 0506; 0604]**

Response: CDFA disagrees with the comment. Section 8603 describes an administrative hold and defines the procedure for ordering one, therefore, a definition for an administrative hold in section 8000 is not needed.

Comment: In section 8602, state/define what conditions make an administrative hold applicable. **[0310; 0311; 0328; 0398; 0506]**

Response: CDFA disagrees with this comment. Under section 8603, temporary interim relief includes an order for an administrative hold, which may be issued under the circumstances cited in subdivision (a). In addition, section 8603, subdivisions (b)-(d) require CDFA to provide a brief explanation of the factual and legal basis and reasons for the emergency decision and order to justify the determination of an immediate danger and CDFA’s emergency decision to take the specific action. The circumstances and scenarios that would potentially lead to decisions by CDFA to take an emergency action could vary substantially and therefore must be addressed on a case-by-case basis.

Section 8603. Emergency Decisions.

Comment: Regarding artificial deadlines imposed by this section, propose the use of existing law and regulations to the extent possible to extend inappropriate deadlines and pass any

legislation required to give the ability of the Department to adjust unreasonable, unworkable deadlines. **[0259]**

Response: CDFA disagrees with this comment. CDFA determined these time frames were reasonable given that these are emergency proceedings and are consistent with, or similar to, time frames for other emergency proceedings. Subdivision (f)(5) provides specificity as to the hearing procedures CDFA will use in section 8604. However, it clarifies that the time frames specified in section 8604 are not applicable. CDFA determined this was necessary and reasonable to reference the same procedure, but due to the emergency nature, reduce time frames.

Comment: Regarding a licensee's right to request a hearing after receiving notice of an emergency decision and order for temporary, interim relief, the commenter requests the deadline to request a hearing by the licensee be changed from three (3) business days to ten (10) business days. **[0310; 0311; 0328; 0398; 0506; 0604]**

Response: CDFA disagrees with this comment. CDFA determined the time frame is reasonable given that these are emergency proceedings and are consistent with, or similar to, time frames for other emergency proceedings. Subdivision (f)(5) provides specificity as to the hearing procedures CDFA will use in section 8604. However, it clarifies that the time frames specified in section 8604 are not applicable. CDFA determined this was necessary and reasonable to reference the same procedure, but due to the emergency nature, reduce time frames.

C. Responses to General, Miscellaneous, and Irrelevant Comments Received During the Initial Comment Period, Grouped According to Subject Matter

General Comments – ACREAGE CAP

Comment No.	Comment	Response
0010	Parcels should be limited to five cultivation licenses per parcel in order to enforce the spirit of the acreage cap	Standard Response 1: This comment is not specifically directed at the Department's proposed regulations or to the

		<p>procedures followed by the Department in proposing or adopting these regulations or is too generalized or personalized so that no meaningful response can be formulated to refute or accommodate the comment. (See Gov. Code, § 11346.9, subd. (a)(3).) Further, Business and Professions Code section 26061 requires CDFA to limit the number of medium licenses allowed and prohibited the issuance of large licenses prior to January 1, 2023. However, the Business and Professions Code did not require limits for any other license types that CDFA issues. As such, CDFA does not have the authority to limit the number of any other license types that it issues. Additionally, the Department does not have any evidence, nor does the comment provide any evidence, that an overall acreage cap would address the issues raised by the comment.</p>
0012, 0014, 0015, 0017, 0063, 0076, 0078, 0088, 0097, 0108, 0119, 0122, 0127, 0130, 0142, 0155, 0175, 0183, 0273, 0296, 0323, 0354, 0357, 0377, 0389, 0391, 0394, 0444, 0471, 0475, 0509, 0525, 0538, 0544, 0569, 0580, 0582, 0585, 0600, 2H.4, 1H.10, 1H.12, 1H.20, 1H.26, 1H.28, 1H.33, 1H.42, 4H.11,	Support for a one-acre cap.	<p>See Standard Response 1. Business and Professions Code section 26061 requires CDFA to limit the number of medium licenses allowed and prohibited the issuance of large licenses prior to January 1, 2023. However, the Business and Professions Code did not require limits for any other license types that CDFA issues. As such, CDFA does not have the authority to limit the number of any other license types that it issues. Additionally, the Department does not have any evidence, nor does the comment provide any evidence, that an overall acreage cap would address the issues raised by the comment.</p>

4H.21, 4H.28, 4H.49		
0012	<p>Mega grows lobbied against an acreage cap and this was removed at this last moment.</p> <p>Wouldn't it be better to have a few thousand small family farms producing cannabis, instead of a small handful of mega grows?</p> <p>Farms having 20 or more licenses are going to drive the small farmers out of business and back to the black market.</p>	<p>See Standard Response 1. Although CDFA had contemplated proposing a cap on acreage, Business and Professions Code section 26061 requires CDFA to limit the number of medium licenses allowed and prohibited the issuance of large licenses prior to January 1, 2023. However, the Business and Professions Code did not require limits for any other license types that CDFA issues. As such, CDFA does not have the authority to limit the number of any other license types that it issues. Additionally, the Department does not have any evidence, nor does the comment provide any evidence, that an overall acreage cap would address the issues raised by the comment.</p>
0078, 0091, 0509, 4H.5, 4H.11	<p>By allowing stacked licensing and no limits on cultivation acreage, the cannabis industry will not thrive with the diversity of participants and products.</p>	<p>See Standard Response 1. Business and Professions Code section 26061 requires CDFA to limit the number of medium licenses allowed and prohibited the issuance of large licenses prior to January 1, 2023. However, the Business and Professions Code did not require limits for any other license types that CDFA issues. As such, CDFA does not have the authority to limit the number of any other license types that it issues. Additionally, the Department does not have any evidence, nor does the comment provide any evidence, that an overall acreage cap would address the issues raised by the comment.</p>
0091, 0111, 0306	<p>Proposed regulations go against the original intent of Proposition 64. A major component of Proposition 64 was to "ensure the non-medical marijuana industry in California will be built around small and medium sized businesses by prohibiting large-scale cultivation licenses for the first five years." CDFA has failed to implement key protections for small and</p>	<p>See Standard Response 1. Business and Professions Code section 26061 requires CDFA to limit the number of medium licenses allowed and prohibited the issuance of large licenses prior to January 1, 2023.</p>

	medium sized businesses and as a result the top 1% of cultivation licensees now control nearly a quarter of state-licensed production.	However, the Business and Professions Code did not require limits for any other license types that CDFA issues. As such, CDFA does not have the authority to limit the number of any other license types that it issues. Additionally, the Department does not have any evidence, nor does the comment provide any evidence, that an overall acreage cap would address the issues raised by the comment.
0024, 0025, 0037, 0043, 0044, 0046, 0050, 0052, 0053, 0054, 0055, 0056, 0058, 0059, 0060, 0061, 0062, 0064, 0065, 0067, 0068, 0069, 0070, 0071, 0073, 0074, 0075, 0077, 0078, 0080, 0081, 0082, 0083, 0084, 0085, 0086, 0087, 0089, 0090, 0091, 0094, 0095, 0096, 0099, 0100, 0101, 0102, 0103, 0104, 0105, 0107, 0109, 0110, 0113, 0114, 0116, 0117, 0118, 0120, 0123, 0124, 0126, 0128, 0131, 0133, 0134, 0137, 0138, 0140, 0141, 0144, 0153, 0154, 0157, 0158, 0160,	<p>States the Department should uphold the Medicinal and Adult-Use Cannabis Regulation and Safety Act to prohibit large scale grows.</p> <p>The combination of unlimited cultivation area and full vertical integration threatens to allow a few consolidated businesses to shut out the small and medium sized businesses that Prop 64 was intended to protect.</p> <p>The regulations must be changed in order to successfully implement Business and Professions Code section 26061(c) and (d).</p>	<p>See Standard Response 1. Business and Professions Code section 26061 requires CDFA to limit the number of medium licenses allowed and prohibited the issuance of large licenses prior to January 1, 2023. However, the Business and Professions Code did not require limits for any other license types that CDFA issues. As such, CDFA does not have the authority to limit the number of any other license types that it issues. Additionally, the Department does not have any evidence, nor does the comment provide any evidence, that an overall acreage cap would address the issues raised by the comment.</p>

0163; 0166, 0180; 0185, 0187; 0191, 0192; 0195, 0196; 0198, 0201; 0202, 0204; 0206, 0209; 0211, 0212; 0215, 0217; 0218, 0219; 0221, 0224; 0226, 0227; 0230, 0231; 0233, 0237; 0239, 0242; 0244, 0245; 0247, 0249; 0252, 0255; 0257, 0260; 0263, 0268; 0276, 0279; 0280, 0282; 0284, 0288; 0290, 0291; 0293, 0294; 0296, 0298; 0301, 0303; 0312, 0315; 0318, 0317; 0320, 0324; 0325, 0326; 0329, 0335; 0338, 0341; 0342, 0344; 0346, 0351; 0352, 0356; 0360, 0364; 0366, 0368; 0373, 0374; 0375, 0376; 0378, 0379; 0380, 0397; 0399, 0404; 0407, 0410; 0413, 0415; 0416, 0419; 0423, 0425; 0439, 0445; 0452, 0453; 0464, 0470; 0471,		
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0476; 0477, 0479; 0483, 0487; 0488, 0489; 0497, 0499; 0510, 0514; 0518, 0522; 0526, 0528; 0530, 0531; 0540, 0541; 0542, 0548; 0551, 0552; 0553, 0554; 0555, 0561; 0567, 0570; 0572, 0577; 0584, 0588; 0589, 0594; 4H.16		
0132, 0148, 0312	<p>How is it legal that the acreage cap was removed from the language at the last minute?</p> <p>Where is the anti-trust laws against monopolies?</p> <p>If the Department does not cap grows, the industry will lose out to Canadian Corporations whom have institutional money to spend.</p>	<p>See Standard Response 1. Although CDFA had contemplated proposing a cap on acreage, Business and Professions Code section 26061 requires CDFA to limit the number of medium licenses allowed and prohibited the issuance of large licenses prior to January 1, 2023. However, the Business and Professions Code did not require limits for any other license types that CDFA issues. As such, CDFA does not have the authority to limit the number of any other license types that it issues. Additionally, the Department does not have any evidence, nor does the comment provide any evidence, that an overall acreage cap would address the issues raised by the comment.</p>
0166, 0294	<p>By removing the acreage cap, the Department is further complicating efforts to reduce the environmental footprint of the cannabis industry.</p>	<p>See Standard Response 1. Although CDFA had contemplated proposing a cap on acreage, Business and Professions Code section 26061 requires CDFA to limit the number of medium licenses allowed and prohibited the issuance of large licenses prior to January 1, 2023. However, the Business and Professions Code did not require</p>

		limits for any other license types that CDFA issues. As such, CDFA does not have the authority to limit the number of any other license types that it issues. Additionally, the Department does not have any evidence, nor does the comment provide any evidence, that an overall acreage cap would address the issues raised by the comment.
0175	Limit licensing stacking for at least three years.	See Standard Response 1. Business and Professions Code section 26061 requires CDFA to limit the number of medium licenses allowed and prohibited the issuance of large licenses prior to January 1, 2023. However, the Business and Professions Code did not require limits for any other license types that CDFA issues. As such, CDFA does not have the authority to limit the number of any other license types that it issues. Additionally, the Department does not have any evidence, nor does the comment provide any evidence, that an overall acreage cap would address the issues raised by the comment.
0294, 0591	Support for a five-year acreage cap.	See Standard Response 1. Business and Professions Code section 26061 requires CDFA to limit the number of medium licenses allowed and prohibited the issuance of large licenses prior to January 1, 2023. However, the Business and Professions Code did not require limits for any other license types that CDFA issues. As such, CDFA does not have the authority to limit the number of any other license types that it issues. Additionally, the Department does not have any evidence, nor does the comment provide any evidence, that an overall acreage cap would address the issues raised by the comment.

0421, 0450	The State probably can't take these "mega-licenses" away without mega lawsuits, but the State can refuse to renew them. The Department must certainly refuse to grant more of these mega-licenses before January 1, 2013.	See Standard Response 1. Business and Professions Code section 26061 requires CDFA to limit the number of medium licenses allowed and prohibited the issuance of large licenses prior to January 1, 2023. However, the Business and Professions Code did not require limits for any other license types that CDFA issues. As such, CDFA does not have the authority to limit the number of any other license types that it issues. Additionally, the Department does not have any evidence, nor does the comment provide any evidence, that an overall acreage cap would address the issues raised by the comment.
0444	Implementing a cap on total cultivation acreage continues to be both a practical and legal necessity.	See Standard Response 1. Business and Professions Code section 26061 requires CDFA to limit the number of medium licenses allowed and prohibited the issuance of large licenses prior to January 1, 2023. However, the Business and Professions Code did not require limits for any other license types that CDFA issues. As such, CDFA does not have the authority to limit the number of any other license types that it issues. Additionally, the Department does not have any evidence, nor does the comment provide any evidence, that an overall acreage cap would address the issues raised by the comment.
0554	Limit the number of licenses that can be granted to a single entity to the effect that the cumulative square footage shall equal no more than that of the square footage allowed for a single medium license.	See Standard Response 1. Business and Professions Code section 26061 requires CDFA to limit the number of medium licenses allowed and prohibited the issuance of large licenses prior to January 1, 2023. However, the Business and Professions Code did not require limits for any other license types that CDFA issues. As such, CDFA

		does not have the authority to limit the number of any other license types that it issues. Additionally, the Department does not have any evidence, nor does the comment provide any evidence, that an overall acreage cap would address the issues raised by the comment.
0556	Who is enforcing mega grows?	See Standard Response 1. Business and Professions Code section 26061 requires CDFA to limit the number of medium licenses allowed and prohibited the issuance of large licenses prior to January 1, 2023. However, the Business and Professions Code did not require limits for any other license types that CDFA issues. As such, CDFA does not have the authority to limit the number of any other license types that it issues. Additionally, the Department does not have any evidence, nor does the comment provide any evidence, that an overall acreage cap would address the issues raised by the comment.
0569	Do not allow any larger permits until 2023, except for hemp.	See Standard Response 1. Business and Professions Code section 26061 requires CDFA to limit the number of medium licenses allowed and prohibited the issuance of large licenses prior to January 1, 2023. However, the Business and Professions Code did not require limits for any other license types that CDFA issues. As such, CDFA does not have the authority to limit the number of any other license types that it issues. Additionally, the Department does not have any evidence, nor does the comment provide any evidence, that an overall acreage cap would address the issues raised by the comment.
4H.51	Support for no acreage cap.	See Standard Response 1.

General Comments – COMPASSIONATE CARE / SOCIAL EQUITY PROGRAMS

Commenter No.	Comment	Response
0173, 0303, 0326, 0329, 0521, 0546, 0582	Compassionate care programs are a foundational cornerstone of the regulated cannabis market. Strongly urge the Bureau of Cannabis Control to exempt compassionate care programs from paying state cannabis taxes when they are providing free medical cannabis to financially disadvantaged people living with serious health conditions.	See Standard Responses 1, 2 & 4.
0259, 0581, 0596	Work with other licensing agencies to create a state-wide equity program using recommendations from the Cannabis Advisory Board.	See Standard Response 1. Further, the creation of a state-wide equity program would require a change to the statute and cannot be done through the regulatory process.
0330, 0463, 0532, 4H.17, 4H.25, 4H.32, 4H.36, 4H.48	Absent from the regulations is any effort to promote equity to ensure residents of communities that suffered high rates of incarceration and other ill social effects from unequal enforcement of cannabis laws are able to benefit from legalization.	See Standard Response 1. The creation of a state-wide equity program would require a change to the statute and cannot be accomplished through the regulatory process.
0372, 0452, 0543	Letter directed to the Bureau of Cannabis Control asks for support of compassionate care programs and the removal of the ID requirement from the Bureau's regulations.	See Standard Responses 1 & 2.
0475	Increase access to compassionate care programs.	See Standard Response 1. The creation of a compassionate care program would require a change to the statute and cannot be accomplished through the regulatory process.
0596	Authorize the Department of Consumer Affairs to collect demographic and other data (e.g., veteran, low-income, prior cannabis arrests or convictions, etc.) to monitor participation in equity programs.	See Standard Responses 1 & 2.
4H.32	Would like to see some type of incentive plan for people that are operating in disadvantaged communities that have been disproportionately affected by the war on drugs.	See Standard Response 1. The creation of a state-wide equity program would require a change to the statute and cannot be accomplished through the regulatory process.

General Comments – ENVIRONMENT

Commenter No.	Comment	Response
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0161	Conduct a new CEQA analysis to evaluate limit-less acreage of cultivation lands.	See Standard Response 1. The Department conducted a CEQA analysis in its Programmatic Environmental Impact Report that included references to the cumulative impact of cultivation.
0262	A glaring omission to the state regulations is that there is no language requiring definable buffers around our state and national parks. Some counties may permit grows right next to these public areas. There are also fragile wildlife corridors to consider, riparian issues, and fire dangers in these rugged lands.	See Standard Response 1.
0302	Need to harmonize cannabis environmental regulations: proposed California Code of Regulations section 8102(cc), 8216, and 8304. It appears, based on reading of Business and Professions Code section 26069(c)(1) and companion proposed regulations section 8102(cc) and section 8216, a watershed can only be determined to be impaired retroactively/after the fact. Similarly, Business and Professions Code section 26060.1(b)(1) and companion proposed regulation section 8304 look at environmental protection issues, including individual and cumulative effects of water diversions on instream flows of fisheries, prospectively. The cited proposed regulations do not appear to be working together to ultimately protect already endangered/impaired watersheds, as envisioned in the original Business and Professions Code section 26067(c)(1)(A) contained in Proposition 64. This is an ambiguous situation that needs clarification in the regulations. Without such clarity, endangered/impaired watersheds may not be protected before significant or irreparable damage is done, and the State agency will have failed to fulfill its obligation under CEQA to mitigate to the maximum feasible extent the significant environmental impacts of its regulations.	See Standard Response 1. The Department included proposed regulation sections 8102, subdivision (cc), 8216, and 8304 in the appropriate sections of its regulations to ensure that they do work together to protect endangered or impaired watersheds. Section 8102 provides explicit requirements for an application for a cultivation license, while section 8216 provides general licensing requirements and section 8304 provides site specific license requirements. Together, these sections provide environmental protection during all phases of the licensing process.
0302, 0306	Provides letter dated August 6, 2018 directed to Sonoma County Board of Supervisors to provide watershed background; not aimed at CDFA's proposed regulations.	See Standard Response 1.
0319	Comply with the California Environmental Quality Act (CEQA) to protect the environment and residents around the premises.	See Standard Response 1. The Department complied with CEQA by certifying its Programmatic Environmental Impact Report and upon the

		issuance of each annual license it issues.
0357	Environmentally harmful and unnecessary tagging (track-and-trace) and packaging regulations are an abomination; cannabis is not plutonium in need of such safeguards. No single individual has ever died from its use.	See Standard Response 1. The Department is required by MAUCRSA to required plant tagging and the use of track and trace.
0405	The CEQA Tiering Strategy described in Appendix J to the Program's PEIR proposed to evaluate individual cultivation projects to determine whether the PEIR adequately addressed all the impacts of the applicant's project. This approach has considerable merit.	See Standard Response 1. The Department agrees with this comment as it is the approach recommended by the Department to local jurisdictions.
0409	<p>In support of the creation of regulatory language for commercial agricultural operations that would protect human health and safety; and water, a resource held in trust by the state.</p> <p>There should be a rainwater irrigation incentive in the regulations. City and community water systems used as an irrigation source do not require permits with CDFW despite the source for these systems typically being surface waters or groundwater. When an entity utilizes rainwater as the only irrigation source, and environmentally superior alternative to surface water or groundwater, we are in support of recognition in the form of an annual license fee and/or cultivation tax reduction.</p> <p>There should be a native soil planting of mature plants incentives. Bagged soil results in a large volume of plastic waste. Given these facts, synthesized and/or bagged soil mediums will not be able to keep up with demand and negates responsible land stewardship. When an entity plants mature plants directly into native soil, an environmentally superior alternative to bagged or transported soil, support recognition in the form of an annual license fee and/or cultivation tax reduction.</p> <p>Support of recognition in the form of an annual license fee and/or tax reduction for city and community water systems that do not require a permit with CDFW.</p>	<p>See Standard Response 1. The Department drafted regulatory language under the authority of MAUCRSA and in compliance with CEQA.</p> <p>The regulations provide the minimum requirements necessary to commercially cultivate cannabis determined by the Department under the authority of MAUCRSA and in compliance with CEQA.</p> <p>The regulations provide the minimum requirements necessary to commercially cultivate cannabis determined by the Department under the authority of MAUCRSA and in compliance with CEQA.</p> <p>The Department determined its fee structure as outlined in its Initial Statement of Reasons. To further scale the fees based on the water source used for</p>

		irrigation would require additional economic impact assessment. The Department lacks the authority to mandate tax structures of local jurisdictions.
0482	Referencing impacted watersheds, there needs to be finite language that ties the issue to the cultivator who engaged in wrong doing. This should only apply to a licensed violator or impeder.	See Standard Response 1. CDFA disagrees with this comment. The Department will work with the Department of Fish and Wildlife and State Water Resources Control Board, per proposed regulation section 8216, to ensure that licensees violating their requirements are not issued or renewed.
0586	Require a better environmental review.	See Standard Response 1. The Department requires that site specific environmental review occur prior to the issuance of an annual license.
1H.41	Would like to see a requirement for trucking in soil to be incorporated into the carbon footprint calculation because there is a difference between native soil and trucked in soil.	See Standard Response 1. The Department evaluated the movement of agricultural inputs to cultivation sites in its Programmatic Environmental Impact Report.
1H.47	States that it is important to include environmental experts on cannabis boards and advisory committees.	See Standard Response 1.

General Comments - MISCELLANEOUS

Commenter No.	Comment	Response
0002	The state must force cities and counties to respect the will of the voters.	See Standard Response 1.
0009	If a business is providing strictly processing services and returning product to a cultivator, can this business operate without a state permit?	CDFA disagrees with this comment. Offsite premises processing of cannabis requires a separate cultivation license. The licensed processor is able to process cannabis for multiple licensees.
0015, 1H.10, 1H.11	States that on-farm sales, for small farmers only, should be allowed.	See Standard Response 2. Existing law requires a retail license from the Bureau of Cannabis Control to engage in direct sales. A licensed nursery may engage in wholesale

		activities between licensed cultivators.
0023	Strike language related to prohibition of product returns post testing. Other industries do not prohibit product returns. The purchaser should be allowed to recover payment and purchase similar products from another cultivator.	<p>See Standard Response 1. Further, Business and Professions Code section 26110, subdivision (g) states that: “After testing, all cannabis and cannabis products fit for sale may be transported only from the distributor’s premises to the premises of a licensed retailer, microbusiness, or nonprofit.” Per California law, therefore, cannabis is prohibited from being returned to the cultivator. The requirement is designed to create a one-way chain of custody for cannabis and nonmanufactured cannabis products post-delivery to a licensed distributor and post-quality assurance testing by a state-licensed testing lab. (Bus. & Prof. Code, § 26100, subd. (j)). Cannabis flower and leaf which has passed quality assurance testing may be distributed to a licensed retailer for sale to the public. In accordance with prescribed circumstances outlined in the emergency regulations, product that has failed quality assurance testing may be remediated, but failed product is currently prohibited from being returned to a licensed cultivator, for any reason. This chain of custody construct is essential to protect public consumers from exposure to cannabis and nonmanufactured cannabis products that have failed quality assurance testing.</p>
0028, 0029	Prohibit counties from banning outdoor growing.	<p>See Standard Response 1. The Department disagrees with this comment. Business and Professions Code section 26200, subdivision (a)(1) allows local jurisdictions to adopt and enforce local ordinances to regulate cannabis business license requirements, including completely prohibiting the</p>

		establishment or operation of one or more types cannabis businesses licensed under MAUCRSA.
0032	Track-and-Trace/Metric are specifically the jurisdiction of CalCannabis.	See Standard Response 1.
0038	There is an exorbitant amount of paper work and I do not understand why the licensing agencies cannot work together on reducing this.	See Standard Response 1.
0090	A 5,000 square foot herb garden cannot be treated as a big ag mega farm.	See Standard Response 1.
0098, 0168, 0173	Thanks for all of your hard work and advocacy for the small farmers.	See Standard Response 1.
0119, 0391, 0413	Clarify rules regarding samples between businesses, as recommended by the Cannabis Advisory Committee.	See Standard Response 1. CDFA has decided not to accommodate this comment. The legislative intent of MAUCRSA includes ensuring a regulatory structure that prevents access to minors and protects public safety and health. MAUCRSA, therefore, includes a number of advertising and marketing restrictions, including the prohibition against free samples (see Business and Professions Code section 26153).
0129	Please make these changes permanent and in a timely manner, because all the changes back and forth in the regulations doubles and triples the cost of doing business, which is especially harmful to the small entrepreneur.	See Standard Response 1. MAUCRSA allows licensing authorities to adopt emergency regulations to implement the law but establishes a time limit for the life of the emergency regulations. The CDFA is in the process of making the rules permanent and acknowledges that some things have changed between the emergency regulations and the proposed permanent regulations. However, the CDFA is moving forward with establishing the permanent regulations as quickly as possible.
0145	Demands the cannabis regulations be amended in order for a small farm to bring its products directly to the market.	See Standard Responses 1 & 2. Existing law requires a retail license from the Bureau of Cannabis Control to engage in direct sales. A licensed nursery may engage in wholesale activities between licensed cultivators.

0148	Were you looking out for the public interest when you're destroying small America?	See Standard Response 1.
0152	Why is the new state and local application process so burdensome?	See Standard Response 1.
0173, 0521	<p>The state should fund research into the public safety threat posed by microbiological and/or pesticide contaminants present in cannabis products intended for consumption by combustion.</p> <p>Current regulations provide no allowance for any license type (other than nurseries) to conduct research and development internally for product development. While funding research is necessary and much needed, so is internal exploration for product development and the ability to do market research.</p>	<p>See Standard Responses 1 & 3. The Department lacks the authority to fund research on public safety issues. This activity falls under the jurisdiction of the Department of Public Health.</p> <p>CDFA disagrees with this comment. Nurseries are explicitly allowed to conduct research and development because this is the only area in which they may allow cannabis plants to flower and the Department must track this closely. Other cultivation license types are not prohibited from conducting research and development in their canopy areas.</p>
0173, 0521, 4H.15	Cultivators may want to provide samples of plants to distributors, retailers, and manufacturers to demonstrate quality or consistency of a plant line.	<p>See Standard Response 1. Further, the legislative intent of MAUCRSA includes ensuring a regulatory structure that prevents access to minors and protects public safety and health. MAUCRSA, therefore, includes a number of advertising and marketing restrictions, including the prohibition against free samples (see Business and Professions Code section 26153).</p>
0174	Disagrees with the definition "local jurisdiction" in Business and Professions Code section 26001(ac).	<p>See Standard Response 1. Further, the only way a definition in statute can be amended is through a statutory amendment, not by regulation.</p>
0175	I have been a full supporter of a regulated industry, and still am, but your current application process, fees, taxes, and the stacking of licenses (leading to huge grows around California) is destroying the heritage cannabis industry.	<p>See Standard Response 1. Further, Business and Professions Code section 26061 required CDFA to limit the number of medium licenses allowed and prohibited the issuance of large licenses prior to January 1, 2023. However, the Business and Professions Code did not require limits for any other license types</p>

		that CDFA issues. As such, CDFA does not have the authority to limit the number of any other license type that it issues. Additionally, the Department does not have any evidence, nor does the comment provide any evidence, that an overall acreage cap would address the issues raised in this comment.
0177	The proposed permanent regulations in the Bureau and MCSB purport to permit only microbusinesses with manufacturing activities and manufacturers to claim operating procedures and protocols a trade secret or confidential, but such language is not included in CDFA proposed permanent regulations. Suggest consistency among all the agencies regarding trade secrets or confidential operating procedures or protocols, permitting all licensees, including cultivators, to claim confidentiality for trade secrets, if desired, as defined in Civil Code section 3426.1(d).	See Standard Response 1. Further, the Department does not collect operating procedures and protocols for the cultivation of commercial cannabis that would be considered trade secrets or confidential. Nothing prohibits a cultivator from identifying confidential information provided in their application. The Department will not disclose information that is exempt from disclosure under the California Public Record Act or Information Practices Act of 1977.
0261	Recommend that cannabis cultivation facilities utilizing CO2 enrichment should not be required to adhere to California Fire Code 5307.4.5 or 5307.4.4. Commenter provides proposed language for CO2 usage.	See Standard Response 1.
0265, 0287, 0393	Please consider changing the regulations so that state law sets the standard, but that each county can enforce stricter standards on cultivation rules. Counties are not enforcing some of their own standards. If the state were to say that its requirements were the baseline, counties could enact ordinances that are stricter, but not looser, and that would take care of a lot of problems.	See Standard Response 1.
0292	The State Waterboard's requirement for Tribal permission for cultivation with 600 feet of tribal land is a huge barrier to legalization for small farmers.	See Standard Response 1. Further, CDFA does not have authority to alter the State Water Resources and Control Board's rules or regulations.
0296	Current state regulations are burdensome and exclude the small farmers who not only built this industry but who have had to so under intense scrutiny and persecution. Without changes to the proposed regulations as well as enforcing the acre cap that was put into place by Prop 64, small craft	See Standard Response 1. Further, Business and Professions Code section 26061 requires CDFA to limit the number of medium licenses allowed and prohibited the issuance of large licenses prior to January 1, 2023.

	cannabis farmers will disappear or return to the black market.	However, the Business and Professions Code did not require limits for any other license types that CDFA issues. As such, CDFA does not have the authority to limit the number of any other license types that it issues. Additionally, the Department does not have any evidence, nor does the comment provide any evidence, that an overall acreage cap would address the issues raised by the comment.
0319	Residents and property owners within a few miles shall be notified of any license application, allowing at least 60 days for input from residents and property owners to provide objections if there are reasons the license should not be granted.	See Standard Response 1. Further, Business and Professions Code section 26200, subdivision (a)(1) allows local jurisdictions to adopt and enforce local ordinances relating to local zoning and land use requirements.
0566	All people within a three-mile radius of a commercial cannabis activity should be notified as soon as the application is submitted to allow for at least a 30-day period to provide comments and objections.	
0586	If a cultivator is applying for a license, neighbors must be notified as soon as possible.	
0327	Add 100-foot setback of cultivation to a well.	See Standard Response 1. Further, Business and Professions Code section 26200, subdivision (a)(1) allows local jurisdictions to adopt and enforce local ordinances relating to local zoning and land use requirements.
0327, 0420, 0448, 0469, 0494, 0494, 0566, 0586	Requests a 2,000-foot outdoor setback from the property line of a grow to a public park which cannot be waived by local ordinances.	See Standard Response 1. Further, Business and Professions Code section 26200, subdivision (a)(1) allows local jurisdictions to adopt and enforce local ordinances relating to local zoning and land use requirements.
0330, 0463, 0532	Recommends the Department contract with the University of California Office of the President to bring together an expert panel to produce a study of public health risks of increasing cannabis potency. CDFA's proposed text will regulations will allow the large-scale shift to higher potency, more addictive, and more dangerous cannabis to continue unabated.	See Standard Response 1.

0334	Currently Metrc's API is lacking critical functionality for us to integrate with supporting our customer's transfers. Where would I write in a comment to improve the API for Metrc to allow for better third-party integration?	See Standard Response 1.
0338	In addition to the failure to implement a fair distribution of cultivation area among farms, Cooperative Associations as defined in Chapter 22 MAUCRSA are limited to a 4-acre cultivation maximum. This restriction makes sense if individuals are limited to 1 acre, but since currently individuals have no limitation and the cooperative association limit remains at a 4-acre cumulative maximum, we find this non-sensible and unjust.	See Standard Response 1. Further, Business and Professions Code section 26061 requires CDFA to limit the number of medium licenses allowed and prohibited the issuance of large licenses prior to January 1, 2023. However, the Business and Professions Code did not require limits for any other license types that CDFA issues. As such, CDFA does not have the authority to limit the number of any other license types that it issues. Additionally, the Department does not have any evidence, nor does the comment provide any evidence, that an overall acreage cap would address the issues raised by the comment.
0347	The regulations are killing small organic farmers.	See Standard Response 1.
0353	<p>Regulations favor larger, agribusiness gardens. The stringent cannabis cultivation regulations are not required for other crops grown for human use in our state. Elements required such as CEQA, possible environmental impact reports, water quality issues, hazmat and waste requirements do not appear to be enforced in many of the agriculture fields we observe while traveling throughout the state. This is not fair to new developing cannabis businesses.</p> <p>The costs, as well as the complex licenses and requirements for cultivation, transport, and delivery to market are unfair to the small cannabis gardens (500 sq. ft maximum). Most of the regulations concerning environmental or water quality problems just do not apply to our situation. We need to be able to grow the small cannabis garden, sell the product, and/or transport the product to a viable market without extreme costs.</p>	See Standard Response 1.
0357	The regulations have the effect of shifting representation from the small-scale artisan farmers that built the industry to corporate firms that can buy their way into the industry.	See Standard Response 1.

0388	Provide direction to local jurisdictions to allow processing in agricultural exempt structures. Fulfilling all the requirements for permitting a commercial structure to create a processing facility is onerous on outdoor cannabis farmers who just need a barn or makeshift structure to dry harvest flower in for one week out of the year. Especially since local jurisdictions are making crazy requirements for processing facilities.	See Standard Response 1. Further, Business and Professions Code section 26200, subdivision (a)(1) allows local jurisdictions to adopt and enforce local ordinances to regulate cannabis business license requirements, including completely prohibiting the establishment or operation of one or more types cannabis businesses licensed under MAUCRSA.
0389	We need to be able to use the banking system. It is frustrating to jump through all of the hoops to receive a license from the state and pay taxes on our sales and not be able to pay our bills via a computer like a normal business.	See Standard Response 1.
0389, 0593	Cultivators should be able to sell directly to customers (i.e. have tasting rooms).	See Standard Response 1. Further, the Department lacks the authority to allow this activity. Statute directs the Department to ensure that cultivation licensees transfer product to licensed distributors or licensed manufacturers.
0395	There needs to be some sort of state-wide body to help royalty-based businesses enforce business contracts and intellectual property.	See Standard Response 1.
0401	The Department should coordinate with the State Organic Program.	See Standard Response 1.
0409	Request recognition of the unconscious bias that is shaping the cannabis regulatory arena during the decision and fee making process. There are numerous inequities regarding business management and environmental compliance, including workers compensation, Bureau of Cannabis Control general liability insurance coverage, State Water Resources Control Board registration pricing and eligibility for income tax deductions.	See Standard Response 1.
0421, 0450	How much will it cost the state to install, modify, test, etc. the CCTT system?	See Standard Response 1.
0434	Allow more flexibility with personal grows. Move more quickly on licensing. Regulate cannabis closer to tomatoes.	See Standard Response 1.

	Stop treating growers like criminals if you suspect and infraction. Treat them as you would any other business.	
0444	Crucial for regulations to take outdoor cannabis agriculture into greater account in licensing, as the current regulations are decimating hundreds of small farmers.	See Standard Response 1.
0450	<p>Cultivation is covered by CDFA and cannabis cultivators are farmers. BCC regulations cover all “commercial cannabis activities,” but there is poor integration among the three sets of regulations.</p> <p>There are two instances of “Article 6” in the document.</p> <p>Will the data sharing capabilities be ready when the system goes live? Will we be able to connect to CCTT through the local system?</p>	<p>See Standard Response 1.</p> <p>CDFA disagrees with this comment. The Department checked the proposed regulations, but was unable to verify there are two instances of “Article 6” in the regulation text.</p> <p>See Standard Response 1.</p>
0471	<p>I’m incredulous that a state like California, with plentiful sunshine, that regulations are geared toward and cater to indoor cultivation. The power costs alone should prevent large indoor cultivation. Outdoor cannabis cultivation is the only natural and complete plant development.</p> <p>The CDFW is out of control with onerous requirements and “empire creep.”</p>	See Standard Response 1.
0480	In CDFA's regulations, explicit enumeration of licensee privileges regarding allowed types and avenues for wholesale buying and selling is largely absent. Permitted types of wholesale transactions and the conditions under which they may or may not be executed are not well defined and may inhibit the development of a commercially viable legal market. For example, licensed cultivators are permitted to sell flowers, trim/leaves, and fresh whole plants to product manufacturers licensed by DPH and distributors licensed by BCC. However, it is not clear whether they may purchase such plant material from another licensed cultivator or buy back such product from a licensed distributor. Such allowances or prohibitions are not explicitly addressed in the proposed regulations. There should be, at minimum, a clear statement on the treatment of such action	See Standard Response 1.

	and ideally a written provision for participants to transact in this wholesale market with confidence.	
0482	<p>Keep good people from doing bad things.</p> <p>Flesh out a picture of how 8405(c) of the emergency regulations would play out.</p>	<p>See Standard Response 1.</p> <p>See Standard Response 1. Further, this comment references language in the Department's readoption of emergency regulations and does not specifically reference any language in the currently proposed regulations to be changed.</p>
0485	CDFA failed to meet the threshold requirements to substantiate various proposed rules and cites the Government Code section 11346.2(b)(1) relating to the initial statement of reasons, section 11346.2(b)(3) relating to information relied upon, and section 11346.2(4)(A) relating to reasonable alternatives. This includes the CDFA's proposed definitions for outdoor cultivation in section 8000(x).	<p>See Standard Response 1. Further, the Department conducted its rulemaking activities in accordance with the Administrative Procedure Act and under the authority of MAUCRSA. An initial statement of reasons for each proposed regulation was provided, including any study, report or similar document upon which the Department relied, as well any reasonable alternative to the proposed regulation and the Department's reasons for rejecting the alternative. This comment lacks specificity as to how the Department purportedly failed to meet requirements in adopting the proposed regulations. Without more information, the Department cannot respond further.</p>
0524	Less onerous regulations would greatly increase participation in the legal regulatory process.	See Standard Response 1.
0524, 0573	Request that CDFA consult with the Bureau of Cannabis Control to request that they revise their regulations regarding the requirement that a CCTT account manager be an owner.	CDFA agrees with the comment and has revised its regulations to be consistent with the Bureau of Cannabis Control and the Manufactured Cannabis Safety Branch. CDFA has removed "designated agent" and "designated responsible party" from CDFA's regulations.
0529	Be understanding to the difficulties of agriculture.	See Standard Response 1.
0539	Requests the creation of a facility license to meet local ordinances, like the Cannabis Support Facility in Humboldt County. It would provide a community	<p>See Standard Response 1. Additionally, MAUCRSA allows the Department to license cannabis cooperatives that could</p>

	<p>hub similar to what a winery or olive processing plant does for grapes or olives.</p>	<p>act similarly to wineries or olive processing plants under a processor license or a manufacturing license from the Department of Public Health.</p>
0556	<p>Does the Department want small businesses to succeed?</p> <p>The last time I check, the sun wasn't owned by the government.</p> <p>Outdoor grows and indoor grows need to be looked at differently, not the same.</p> <p>Work with the growers. Work with the people that love nature. Work with, not against. This may be foreign, but we can actually work together to make everyone happy.</p> <p>Comment related to Business and Professions Code section 26200. Doesn't seem fair. Fiscal impact: the budget to run your department is 32 million? That's a lot of money.</p> <p>What does administrative action mean?</p> <p>Regulations are not written in plain English.</p>	<p>See Standard Response 1.</p> <p>See Standard Response 1. Additionally, "administrative action" is an established and common term under Administrative law, which is the body of law that governs the activities of administrative agencies of government; established by the enactment of the Administrative Procedures Act in 1946. The Department does not believe any clarification is necessary in the proposed regulations.</p> <p>CDFA disagrees with this comment. The Department prepared these regulations pursuant to the standard and clarity provided in Government Code section 11349 and the plain English requirements of Government Code sections</p>

		11342.580 and 11346.2, subdivision (a)(1). The regulations are written to be easily understood by the persons that will use them.
0572	When and if event sales are allowed, nurseries should be included in the ability to sell to the public at such events.	See Standard Response 1.
0586	Licensing agencies must consider the density of growers in a given area if that area is primarily residential housing. Grows should be located in business parks where they can be monitored for worker safety, compliance with regulations, payment of taxes, ingress and egress, and community safety. Require insurance to cover neighbors in the event of crimes related to the presence of a cannabis farm.	See Standard Response 1. Further, Business and Professions Code section 26200, subdivision (a)(1) allows local jurisdictions to adopt and enforce local ordinances relating to local zoning and land use requirements. See Standard Response 1.
0590	I think we should use the models for cannabis from Washington, Oregon, and Nevada. These are working great.	See Standard Response 1.
0591	Require SICPA/CalOrigin to be integrated with Metrc.	See Standard Response 1.
0592	Do not limit business growth.	See Standard Response 1.
0592, 0593, 4H.10	Continue to accept public comments after the regulations are in place.	See Standard Response 1.
0593, 4H.10	Proposition 65 is dangerous and should be eliminated. It's based on non-science. Cannabis is safe.	See Standard Response 1.
0596	Support SB 1294 (Bradford), as amended, to urge enactment of the California Cannabis Equity Act of 2018.	See Standard Response 1.
0600	Seems fair to allow more leniency in navigating the new regulations, particularly for pre-existing cultivators who have been operating in accordance with prior state laws and in jurisdictions that have regulations being worked out, such as extending the focus on "compliance" in 2018 through 2019 and starting "enforcement" in 2020. Especially considering the misinformation coming from the state.	See Standard Response 1.
1H.8, 1H.38	Believes there is a legal impact because there are cultural and linguistic differences that almost demand a translator regarding understanding the regulations; Concern that the regulations are overwhelmingly complex.	See Standard Response 1. Further, the Department prepared these regulations pursuant to the standard and clarity provided in Government Code section 11349 and the plain English requirements of Government Code sections 11342.580 and

		11346.2, subdivision (a)(1). The regulations are written to be easily understood by the persons that will use them.
1H.23	Requests the Department help the small farmer survive.	See Standard Response 1
1H.25	Does not want undocumented immigrants working in Humboldt County. Wants the Department to support people and to help them support each other in a livable, sustainable way.	See Standard Response 1
3H.9	Suggest removing the requirement by Metrc to obtain a license number prior to requesting access to Metrc, especially by third-party integrators.	See Standard Response 1
4H.38	Thanks to CDFA for the strides they have made in carving out a place for the small, rural cultivator here in California.	See Standard Response 1
4H.51	I think you should also evaluate the introduction of new genetic material into the production system via nurseries or cultivation.	See Standard Response 1
4H.51	Every farmer should be allowed to open a business.	See Standard Response 1
4H.53	Would like an organic certification.	See Standard Response 1

Comments Related to Regulations Promulgated by the Bureau of Cannabis Control

Commenter No.	Comment	Response
0002	Strongly support the ability of licensing of delivery services that can deliver anywhere within a city or county where they are licensed.	Standard Response 2: The Department lacks the authority regarding this cannabis activity. Business and Professions Code section 26012, subdivision (a)(1) gives the Bureau of Cannabis Control the sole authority to create, issue, deny, renew, discipline, suspend, or revoke licenses for microbusinesses, transportation, storage unrelated to manufacturing activities, distribution, testing, and sale of cannabis and cannabis products within the state.
0008	Letter directed to the Bureau of Cannabis Control references only the Bureau's regulations relating to deliveries.	See Standard Response 2.
0011	Stop the ludicrous testing. Require only the same tests as for edible row crops and/or tobacco. That includes both the tests that are required, the "do not exceed" levels, and the sample quantities.	See Standard Response 2.

0017	Allow drive-thrus for retail sales.	See Standard Response 2.
0018, 1H.44	Testing labs still are not calibrated to equal measurements, so relying on their results to be consistent across the board has not occurred yet.	See Standard Response 2.
0090	Testing is getting absurd.	See Standard Response 2.
0136	Letter addresses the Bureau of Cannabis Control regulations and its Standardized Regulatory Impact Analysis on page 1; Bureau regulations regarding premises (p 8-9); and Bureau suggestions to microbusiness licenses (p 11-16).	See Standard Response 2. Comments related to CDFA's regulations are addressed elsewhere in the Final Statement of Reasons.
0136, 0310, 0311, 0328, 0398, 0506, 0604	Nurseries with a distribution transport license should be able to deliver to cultivators and cultivators should be able to pick up clones for their business. Transferring perishable plants to a distributor is a recipe for disaster, as the nursery has no control of the environment that the distributor will hold the plants. Some plants require special light cycle.	See Standard Response 2.
0139	Letter is addressed to the Bureau of Cannabis Control and only references the Bureau's regulations, specifically regarding cannabis deliveries.	See Standard Response 2.
0150	Addresses the Bureau of Cannabis Control regulations relating to landowner approval, bonds, insurance policy requirements, and incomplete licenses.	See Standard Response 2. Comments relating to premises diagrams are addressed in CDFA's responses under Article 2 within the Final Statement of Reasons.
0156	Makes recommendations to the Bureau of Cannabis Control relating to their regulations on distributor-transport licenses, quality assurance/testing, and the Bureau's premises diagram on page 2.	See Standard Response 2. Comments related to CDFA's regulations are addressed elsewhere in the Final Statement of Reasons.
0167	Supports Bureau of Cannabis Control proposed regulation section 5416 relating to deliveries.	See Standard Response 2.
0168	Would like CalCannabis to establish a remediation process, post testing, for unprocessed harvest batches and for materials such as dust particulate.	See Standard Response 2. Remediation of any cannabis or cannabis products post-testing does not fall within CDFA's statutory authority.
0169	Letter in support of the legal delivery of cannabis to any jurisdiction within California and urge the adoption of the proposed rule without modification.	See Standard Response 2.
0173	Recommend that future changes to increase testing standards are proposed only in response to demonstrated consumer safety threats. Where perceived risks are shown to be unwarranted, testing standards should be liberalized.	See Standard Response 2.
0173, 0303, 0326, 0329	Pages 3-4 include suggestion for section 5301 of the Bureau of Cannabis Control's regulations relating to storage-only services. Pages 5-6 recommend the	See Standard Response 2. Comments related to CDFA's regulations are addressed

	BCC provide guidance that expressly permits licensed distributors to provide free products and samples to retailers as part of normal business activity.	elsewhere in the Final Statement of Reasons.
0181	Letter requests the creation of a Home Business License by the Bureau of Cannabis Control and suggests language.	See Standard Response 2.
0182	There is a major problem with the regulations regarding laboratory testing. There are many other valuable parts of the cannabis plant such as the roots, bark, stems, and trunk. There are no testing procedures prescribed for any of these other valuable commodities. There are also no testing requirements proscribed for fresh frozen cannabis plant parts.	See Standard Response 2.
0188, 0189, 0236, 0253, 0254, 0348, 0369, 0452, 0539, 0543, 0565, 0582	Letter requests that the Bureau of Cannabis Control manage excessive testing costs for cultivators by adopting a “composting” program modeled after Oregon’s program.	See Standard Response 2.
0259	Pages 8-9 makes composting rule suggestions in relation to high testing costs for cultivators by adopting a “composting” program modeled after Oregon’s program.	See Standard Response 2. Comments related to CDFA’s regulations are addressed elsewhere in the Final Statement of Reasons.
0271	Cites Bureau of Cannabis Control proposed regulation section 5007 relating to landlord approval to grow cannabis and make suggestions for addition to that section.	See Standard Response 2.
0287	Cites Bureau of Cannabis Control regulations (sections 5002, 5006, 5007, 5008, 5012, 5017) and suggests changes.	See Standard Response 2.
0294	Page 2 references Bureau of Cannabis Control proposed regulation sections 5411(b)(5) and section 5413 and makes suggestions.	See Standard Response 2. Comments related to CDFA’s regulations are addressed elsewhere in the Final Statement of Reasons.
0296, 0303, 0544	Request to allow cultivators to transport.	See Standard Response 2.
0332	Letter from owner of a retail dispensary comments on regulations promulgated by the Bureau of Cannabis Control related to licensing fees for dispensaries.	See Standard Response 2.
0339; 0347; 0365; 0396; 0452; 0539; 0543; 0575	Support the Bureau of Cannabis Control’s proposed regulations regarding microbiological testing standards.	See Standard Response 2.
0340	Citing the Bureau of Cannabis Control’s regulations on pages 2-6, makes suggestions for the Bureau	See Standard Response 2. Comments related to CDFA’s

	supporting the disclosure of public records and suggestions for the Bureau's regulations on surveillance on pages 9-10.	regulations are addressed elsewhere in the Final Statement of Reasons.
0361, 0524, 0539	Cites regulations promulgated by the Bureau of Cannabis Control relating to security requirements and provides suggestions.	See Standard Response 2.
0361, 0539	Lists the Bureau of Cannabis Control's regulations and makes related suggestions for packaging and labeling and quality assurance testing.	See Standard Response 2.
0370, 0525	A cultivator or distributor should be allowed to re-test the batch of flower upon a failed test and there should be a remediation plan to allow for the flower to enter the market as a flower and not an oil. Suggest that if a flower batch fails for any reason that two additional sample batches be tested to confirm or dispute the first batch test. If a sample passes both tests, it should be allowed to be released for sale. If either of the sample batches fail, the product should be allowed to be remediated into a concentrate or destroyed.	See Standard Response 2.
0384	Testing for a small batch grower is prohibitive. Would like to be able to batch test all strains together and then each individually for potency (cannabinoid content).	See Standard Response 2.
0393	To section 5002 of the Bureau of Cannabis Control's regulations suggests additional fire safe language be added.	See Standard Response 2.
0424	Please make it easy for local dispensaries to sell ounce-size bags of low-cost shake or trim for baking purposes. My only option now for home baking is expensive flowers which cost 5-10 times more than shake or trim.	See Standard Response 2.
0471	All cultivation licenses up to 10,000 square feet are allowed to self-distribute without a BCC specific permit. Cannabis flowers and biomass need not be tested until it is processed or packed. Distributors are charging all testing fees to cultivators in addition to taxes. These fees so reduce a small cultivator's margin that they cannot afford to stay in the legal market.	See Standard Response 2.
0475	Please carve out a nonprofit or other license that allows producers to provide bulk quantities to patients who use larger amounts of cannabis or need access to free or reduced-cost product. The greatest problem facing the new program now is the lack of retail access due to the NIMBY policies of prohibitionist localities, officials, and law	See Standard Response 2.

	enforcement. I would ask that BCC license cannabis sales on state properties to increase adult and patient access, open the statewide market to licensed producers who are being kept out of large swaths of the state, and reduce illicit cultivation and sales.	
0475, 0594	Request that the state allow a composting program for testing so that multiple strains can be tested in the same test batch as long as they were harvested at the same time / from the same facility.	See Standard Response 2.
0475, 0591, 0597, 0598, 1H.39	Testing needs to be made simpler, more accessible.	See Standard Response 2.
0478	Letter addressed to all three cannabis licensing agencies makes suggestions regarding quality assurance and testing regulations promulgated by the Bureau.	See Standard Response 2.
0486	By requiring growers to use Federal Communications Commission and nationally recognized testing lab safety certified equipment the State can promote the prevention of interference with emergency personnel radio equipment as well as significantly reduce potential for fires. Supports increased access to the marketplace for consumers through delivery services that reach all jurisdictions in California.	See Standard Response 2.
0491	The square footage for indoor microbusinesses should be 1,000 square feet. There is nothing micro about a 10,000 square foot of indoor. This can use hundreds of lights and does not protect the culture of small indoor growers. Regarding testing, a lab can take a sample for testing directly from the farm. If a sample does not pass, the farmer can choose where to send it for remediation. This would cut costs to the farmer.	See Standard Response 2.
0494	The comment period should be extended and a hearing held in Santa Rosa. I am disturbed about the procedural process for these rules. I sent an email to the Bureau of Cannabis Control in April 2018 and asked to be alerted when the rules would be revised. No one contacted me and I learned about the comment deadline last week by serendipity. The comment period should be extended 30 days and a hearing held in Santa Rosa. Holding hearings in Los Angeles, San Francisco, and Sacramento, where there is no outdoor cultivation is insufficient to allow the affected public to participate.	See Standard Response 2.

	Citing the Bureau of Cannabis Control's regulations, suggests revisions relating to licensing procedures.	
0498	Letter addressed to the Bureau of Cannabis Control provides comments on regulations promulgated by the Bureau relating to property access, setbacks, fire safe regulations, and license requirements.	See Standard Response 2.
0503	Wishes to make strong objections and register clear dissent to a draconian policy by the Santa Clara County Board of Supervisors to deny the rights of growers of medicinal cannabis and establish collectives with the property permits to operate in the County.	See Standard Response 2.
0515	Letter addressed to all three cannabis licensing agencies cites regulations promulgated by the Bureau of Cannabis Control related to testing and provides suggestions.	See Standard Response 2.
0517	Letter addressed to the "California Cannabis Bureau" cites regulations promulgated by the Bureau of Cannabis Control related to setbacks, insurance, and annual licensing requirements and makes suggestions.	See Standard Response 2.
0528	Page 1 of an email addressed to all three licensing agencies cites regulations promulgated by the Bureau of Cannabis Control related to veteran's benefits, applicants with convictions, medical patients, nonprofit license types, social equity provisions, and ID cards and makes suggestions.	See Standard Response 2.
0544	Regarding testing, the regulations for pesticides and pests are contradictory. Either you need to kill pests or you're going to have some bug residue. Asking for both levels is not possible. Testing as you have attempted to regulate is counterproductive.	See Standard Response 2.
0549	Letter includes comments provided to the Bureau of Cannabis Control as an attachment to comments directed at CDFA's proposed regulations.	See Standard Response 2. Comments related to CDFA's regulations are addressed elsewhere in the Final Statement of Reasons.
0551, 0571	Letter addressed to CalCannabis also includes suggestion to the Bureau of Cannabis Control's regulations relating to loss of access.	See Standard Response 2
0576	The new rules and regulations do not allow children in our dispensary nor allow us to continue our children support groups. We would like an exemption or regulation fix.	See Standard Response 2
0578	Letter addressed to the California Department of Food and Agriculture only cites regulations promulgated by the Bureau of Cannabis Control and makes suggestions for the Bureau's regulations.	See Standard Response 2
0582	California's testing methodology and its conclusions are fundamentally flawed. We have warned about	See Standard Response 2.

	this in various public meetings but have not seen a rational, statistically valid, replicable solution.	
0583, 3H.3	The biggest issue right now is the THC and CBD 10% variance testing. Every plant has a different THC and CBD levels and look into changing out it is measured.	See Standard Response 2.
0597, 0598	All of the security measures that are now imposed on small manufacturers seems disproportionate to who they are as a small business.	See Standard Response 2.
0599	Page 9-10 of a letter addressed to all three cannabis licensing agencies requests multiple changes to the microbusiness license structure promulgated by the Bureau of Cannabis Control.	See Standard Response 2.
0601	The Bureau of Cannabis Control needs to remove the ID requirement from their regulations, which requires patients to possess county-issued ID cards in order to receive donated cannabis from a dispensary.	See Standard Response 2.
1H.10	State should allow on-farm sales to artisan producers, small scale growers of less than one acre.	See Standard Response 2.
1H.11	Request allowance of multiple cannabis culture sales at events that include small family farmers and that cannot be overridden by county or other officials.	See Standard Response 2.
1H.27	Distribution-only distributors should have more stringent security measures.	See Standard Response 2.
1H.53	Request to add to regulations the requirement in the testing process to identify from which farmer a strain originates.	See Standard Response 2.
1H.38	Concerns with the different levels of distribution and transportation.	See Standard Response 2.
1H.55	Would like less stringent security measures on transport only distributors because transport only distributors are only carrying product while transporting.	See Standard Response 2.
4H.21	There is a lack of distribution services in Trinity County.	See Standard Response 2.

Comments Related to Regulations Promulgated by the Department of Public Health

Commenter No.	Comment	Response
0051	In reference to retail locations, consider the costs to the small operations and reduce them so that they may continue to legally supplement their income and help others in need who can't help themselves.	Standard Response 3: The Department lacks the authority regarding this cannabis activity. Business and Professions Code section 26012, subdivision (a)(3) gives the Department of

		Public Health the authority to administer provisions related to and associated with the manufacturing of cannabis products and the authority to create, issue, deny, and suspend or revoke manufacturing licenses.
0051, 0152, 0598	Allow for the small medicine maker to work from their home and produce real medicine.	See Standard Response 3.
0129	Do not require childproof caps on all cannabis products aside from edible products.	See Standard Response 3.
0295, 0579, 0598	Products that used to be available for purchase are no longer available because the manufacturer cannot operate anymore due to extremely high license fees and taxes. This is unfair and difficult to understand.	See Standard Response 3.
0304	Letter addresses regulations promulgated by the California Department of Public Health related to definitions.	See Standard Response 3.
0389	We are working through our manufacturing permit now and one of the requirements is 24-hour video monitoring with 90 days of storage which is very expensive. Why not require that the cameras be on motion sensors allowing for the facility to be monitored when there was motion triggering the recording?	See Standard Response 3.
0392	We support the ban on hemp derived CBD use in cannabis products. If you want access to the cannabis market, you need to follow the same regulations.	See Standard Response 3.
0408	Raise THC limits on edibles, just clear labeling. Also eliminate the child proof requirements, except on edibles.	See Standard Response 3.
0434	Expand licensing for solvent extractions.	See Standard Response 3.
	Get rid of the child safe packaging requirement. It's creating an ecological nightmare.	See Standard Response 3.
0520	Letter addressed to the Bureau of Cannabis Control, the Department of Public Health, and the Office of Administrative law supporting limits for ethanol in food.	See Standard Response 3.
0536, 0538	Comment letter cites only regulations cited by the California Department of Public Health and makes suggestions.	See Standard Response 3.
0537	Letter addressed to all three cannabis licensing agencies cites only regulations promulgated by the Bureau of Cannabis Control and the California Department of Public Health and makes suggestions related to testing, labeling, distribution, delivery, sale, samples, and failed product batches.	See Standard Response 3.

0602	Edibles need to be allowed at stronger doses. THC is not like Tylenol. You won't overdose.	See Standard Response 3.
4H.47	There has been a limit put on shared use facilities to a million dollars in manufacturing	See Standard Response 3.

Comments Related to Regulations Promulgated by both the Bureau of Cannabis Control and the Department of Public Health

Commenter No.	Comment	Response
0030	Please improve the packaging regulations to recognize that the use of single-use plastics is outdated, unethical, and plain dirty. The environmentally conscious cannabis community demands better options than single-use plastics, which pollute our oceans, landfills, and bodies. I ask that the regulatory framework support the community by discouraging the use of single-use plastics and generating unnecessary waste. I suggest: 1) ban the use of single use plastics for cannabis packaging; offer incentives, such as tax breaks, to producers who use alternative packaging solutions, so that they may stay competitive and in business; 3) create the regulatory framework to allow businesses to offer packaging exchange programs so that consumers can return or exchange their cannabis packaging waste.	See Standard Responses 2 & 3.
0035	Letter addressed to all three cannabis licensing agencies addresses each agency's regulations separately. Pages 2-13 address regulation modifications for the Bureau of Cannabis Control. Additional suggestions for the Bureau relating to surveillance regulations found in BCC's proposed text are referenced on pages 15-16.	See Standard Responses 2 & 3. The responses to comments related to the Department's regulations are located elsewhere in the Final Statement of Reasons.
0127	Letter addressed to all three cannabis licensing agencies addresses each agency's regulations separately. Pages 9-11 address regulation modifications for the Bureau of Cannabis Control. Page 11 addresses regulation modifications for the California Department of Public Health.	See Standard Responses 2 & 3. The responses to comments related to the Department's regulations are located elsewhere in the Final Statement of Reasons.
0129	I support the rule to list THC and CBD in percentages for flower as opposed to milligrams which is the current labeling law, because the	See Standard Responses 2 & 3.

	percentages give the consumer relevant information which the statement of milligrams does not	
0176	Letter addressed to all three licensing agencies addresses Bureau of Cannabis Control regulations relating to distributors being allowed to roll non-infused prerolls and package cannabis, pages 2-4. Suggestions directed at the California Department of Public Health relating to the definition of manufacture are found on pages 5-6.	See Standard Responses 2 & 3. The responses to comments related to the Department's regulations are located elsewhere in the Final Statement of Reasons.
0296, 0298, 0315, 0318, 0325, 0364, 0464, 0479, 0530, 0542, 0548, 0572, 0589, 0603	Form letter has recommendations to all three cannabis licensing agencies with sections directed at each agency. Bureau of Cannabis Control recommendations are found on pages 13-20. California Department of Public Health recommendations are found on pages 20-24.	See Standard Responses 2 & 3. The responses to comments related to the Department's regulations are located elsewhere in the Final Statement of Reasons.
0359, 0550	Letter addressed to all three cannabis licensing agencies directs suggestions to the Bureau of Cannabis Control regarding the Bureau's proposed delivery regulations, the receiving of inventory shipments, the Bureau's annual license application requirement. There are also recommendations given to the Bureau and DPH regarding their respective regulations on the track-and-trace system, loss of access, and exit packaging rules.	See Standard Responses 2 & 3. The responses to comments related to the Department's regulations are located elsewhere in the Final Statement of Reasons.
0417, 0507, 0558	Letter addressed to all three cannabis licensing agencies addresses safety standards around child-resistant packaging from those in the emergency regulations. Urges the Bureau of Cannabis Control to restore the requirement for child-resistant primary packaging and provides suggested language to the Bureau and California Department of Public Health.	See Standard Responses 2 & 3.
0418	Letter addressed to all three cannabis licensing agencies addressed the Bureau of Cannabis Control on pages 1-3 and addresses the California Department of Public Health's Manufactured Cannabis Safety Branch on pages 3-4.	See Standard Responses 2 & 3. The responses to comments related to the Department's regulations are located elsewhere in the Final Statement of Reasons.
0435	Get rid of the child safe packaging requirements. It's creating an ecological nightmare.	See Standard Responses 2 & 3.
0475	Take steps to reduce the amount of plastic packaging on cannabis products. Cannabis is a natural, organic, biodegradable plant and I loathe the fact this absurd amount of plastic packaging will never biodegrade.	See Standard Responses 2 & 3.
0491	No exit bags packaging for cultivators. Tamper proof for flowers and prerolls. Child resistant for solvent based extracts and not for kief. This is because solvent based extracts can smell and look like yellow candy.	See Standard Responses 2 & 3.

0545	Letter addressed to the Bureau of Cannabis Control cites regulations promulgated by both the Bureau and the California Department of Public Health and makes suggestions.	See Standard Responses 2 & 3.
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Comments Related to the California Department of Tax and Fee Administration

Commenter No.	Comment	Response
0011	Eliminate the ridiculously high cultivator per pound taxes.	Standard Response 4: The Department lacks the authority regarding the administration and collection of cannabis taxes. The California Department of Tax and Fee Administration has such authority pursuant to Revenue and Taxation Code section 34013.
0014	The cultivation tax structure does not take into account that the burden of higher taxes has disproportionately affected small farmers.	See Standard Response 4.
0016	There is a significant number of people in the cultivation tax should be revised. It seems the tax is based on prior prices of wholesale flower and not reflective of current market prices.	See Standard Response 4.
0039; 0040	The excise tax paid by the distributor needs to be simplified and limited to the dollar amount sold, without additional arbitrary excise tax on the 60% profit from the dispensary.	See Standard Response 4.
0041, 0022	Primary concern is the high excise tax rate.	See Standard Response 4.
0090	The taxes are not realistic.	See Standard Response 4.
0361, 0539	Letter from the California Distribution Association references the California Department of Tax and Fee Administration and provides suggestions for tax collection and remittance.	See Standard Response 4.
0363	We have always grown outdoor and pesticide free because we want to leave the land clean for coming generations. Perhaps our state can encourage farmers to do the same by reducing taxes and fees for outdoor clean farming practices. The fixed cultivation tax does not seem reasonable due to cannabis price fluctuations related to supply and demand.	See Standard Response 4.
0390, 0591	Recommend to collected taxes only at the retail level. The harvest tax is a big accounting problem. Being that the cannabis industry is mainly a cash business, the collection and remittance of the cultivation tax poses adverse risk and increases the exposure of crime.	See Standard Response 4.

0408	<p>Eliminate the Excise Tax for medical and reduce it to 7 percent for adult-use.</p> <p>Outlaw cities from adding their own additional taxes for retail sales.</p> <p>Reduce cultivation and manufacturing taxes by 50 percent.</p>	See Standard Response 4.
0434	Stop overtaxing. Remove tax for trim.	See Standard Response 4.
0475	Patients who require large amounts of cannabis cannot afford the highly taxed and regulated retail market. Please create a program of an automatic 20 percent discount for patients who have a physician's approval on file at a cannabis shop to compensate for the additional taxation.	See Standard Response 4.
0544	Should be rewarded with a lower tax base if there is less water use, no pesticides, and have a green certification.	See Standard Response 4.
0593, 1H.27, 4H.9	Lower taxes so that the regulatory market can compete with the black market.	See Standard Response 4.
0596	Earmark state tax revenues to support existing equity programs and incentivize the creation of new equity programs.	See Standard Response 4.
1H.9	Cultivators are being marginalized, over regulated, over taxed.	See Standard Response 4.
1H.12; 1H.14	Cultivation tax on dried flower seems to be based on a price that was probably being discussed in regulatory circles back in 2014 and 2015. The prices have dropped since then.	See Standard Response 4.
1H.15; 1H.34	The excise tax, the flat rate on cultivation is not fair. Basing it on a percentage is a more just method of taxation.	See Standard Response 4.

Comments Related to the Department of Pesticide Regulation

0014	Pesticide regulation for cannabis must be held to the highest standard for all cannabis produced in California. All lobbying efforts to remove pesticides from banned/restricted list should be seriously considered before action is taken. The removal of pesticides from the banned/restricted list for cannabis has the potential to seriously impact the health of millions of Californians.	Standard Response 5: The Department lacks the authority regarding the establishment of pesticide regulation guidelines or pesticide application for cultivators. Pursuant to Business and Professions Code section 26060, subdivisions (d) and (g), this authority belongs to the Department of Pesticide Regulation.
1H.30	The Department has awesome pesticide rules; 66 are listed right now.	See Standard Response 5.

1H.30; 1H.34	Concerned that the pesticide regulations will change to allow more pesticides.	See Standard Response 5.
1H.36	There are no clear regulations on the categories that could be potentially harmful to people in regard to pesticide testing. Requests the Department develop a program that will test for pesticides and chemical use for growing. There should be no reason why there should not be organic products and to hold California to the highest standards in regard to pesticides.	See Standard Response 5.
1H.41	Concerned with the use of glyphosate (Round Up).	See Standard Response 5.
1H.46	Encourages the Department to maintain the strongest anti-pesticide regulations.	See Standard Response 5.
1H.50	Regarding pesticide use, that sulfur is allowed by the United States Department of Agriculture in organic farming.	See Standard Response 5.

IV. Comment Summaries and Responses (15-Day)

Pursuant to Government Code section 11346.9, subdivision (a)(3), the Department summarized and responded to all of the objections and recommendations directed at the modified text changes during the 15-day comment period. Due to the volume of comments, many of which overlapped and asserted the same points for varying reasons, many comments were grouped together to provide as uniform and concise a response as possible. Despite this, some duplication in the responses was inevitable.

The Department also utilized the standard responses to comments identified in Section III of the Final Statement of Reasons.

A. List of Commenters for the 15-Day Comment Period.

The number designation (designated 0001-0122) following the comment summaries identifies the written letter/email where the comment originated, numbered in order of receipt by the Department.

The comment summaries and responses to the modified regulatory text are first organized by Article (1-7) and further organized by proposed regulatory section. General comments,

comments directed at the process by which the regulations were proposed and adopted, and irrelevant comments are organized by subject matter.

ID No.	Name of Commenter	Title	Company	Comment Submitted	Method
0001	Jonathan Lisicki		Specialized Waste Solutions, Inc.	10/20/2018	Email
0002	Jonathan Lisicki		Specialized Waste Solutions, Inc.	10/20/2018	Email
0003	Judy Forehand			10/21/2018	Email
0004	Nam Tran	Brand Manager	We Are The Goodfellas	10/22/2018	Email
0005	Omid Hirs			10/23/2018	Email
0006	Danielle Dao			10/23/2018	Email
0007	William Curtis			10/25/2018	Email
0008	Amanda Naprawa	Policy Associate	Getting It Right From The Start	10/30/2018	Email
0009	Heather Haglund		Tokin Terps Farms	10/31/2018	Email
0010	Sequoyah Hudson	CFO/Chief Compliance Officer	CannAssert LLC	10/31/2018	Email
0011	Maggie Chui	Governmental Affairs Coordinator	RCRC	10/31/2018	Email
0012	Maggie Philipsborn	Office Administrator	Nevada County Cannabis Alliance	10/31/2018	Email
0013	John Borton			10/31/2018	Email
0014	Kevin Dortch			10/31/2018	Email
0015	Dennis Bozanich	Deputy County Executive Director	County of Santa Barbara	11/01/2018	Email
0016	Omid Hirs			11/01/2018	Email
0017	Omid Hirs			11/01/2018	Email
0018	Kevin Dortch			11/02/2018	Email
0019	Tykie Paxton			11/02/2018	Email
0020	Jim Houston	Manager, Governmental and Legal Affairs	California Farm Bureau Federation	11/02/2018	Email
0021	Betsy Armstrong	Senior Policy Analyst	County Health Executives Association of California	11/02/2018	Email
0022	Kathy Lynch		CRRC / Lynch & Assoc.	11/02/2018	Email
0023	Omid Hirs			11/02/2018	Email
0024	Jassy Grewal	Legislative Affairs	UFCW Western States Council	11/03/2018	Email
0025	Hannah Nelson	Attorney		11/04/2018	Email
0026	JB		Thin Air Designs	11/04/2018	Email

0027	Sarah Armstrong	Policy Chair	The Southern California Coalition	11/04/2018	Email
0028	Amy Rouse			11/05/2018	Email
0029	Brandon Wheeler	Owner	Feliz Farms	11/05/2018	Email
0030	Roger Wheeler	Owner	Sanel Highlands	11/05/2018	Email
0031	Wil Crummer	Owner	Heirloom Valley, LLC	11/05/2018	Email
0032	Mark Davis			11/05/2018	Email
0033	Phil Crews	Owner	Mendocino Family Farm	11/05/2018	Email
0034	John Borton		Thin Air Designs	11/05/2018	Email
0035	Matt Rahn	Mayor	City of Temecula	11/05/2018	Email
0036	Susan Schnindler		ASES, Inc.	11/05/2018	Email
0037	Jessica Harness			11/05/2018	Email
0038	Blaire AuClair		Radicle Herbs	11/05/2018	Email
0039	Corinne Powell		Laughing Farm	11/05/2018	Email
0040	Lynn Unroe			11/05/2018	Email
0041	Mario DeJuan			11/05/2018	Email
0042	Sean Trainor	Founder/CEO	Sensi Valley	11/05/2018	Email
0043	Marnie Birger			11/05/2018	Email
0044	Marnie Birger			11/05/2018	Email
0045	Elena DuCharme			11/05/2018	Email
0046	Mario DeJuan			11/05/2018	Email
0047	Mario DeJuan			11/05/2018	Email
0048	Mario DeJuan			11/05/2018	Email
0049	Mario DeJuan			11/05/2018	Email
0050	Mario DeJuan			11/05/2018	Email
0051	Mariah Gregori		Clear Water Farms	11/05/2018	Email
0052	Jesse Stout			11/05/2018	Email
0053	Rem Nunya			11/05/2018	Email
0054	An-Chi Tsou		SEIU	11/05/2018	Email
0055	Katherine Dowdney		Earthen Farms	11/05/2018	Email
0056	Mario DeJuan			11/05/2018	Email
0057	Michael Hicks		Yolo Family Farms Inc.	11/05/2018	Email
0058	Michael Hicks		Woodland Roots Inc.	11/05/2018	Email
0059	Autumn Shelton	Owner/CFO	Autumn Brands	11/05/2018	Email
0060	Kimberly Cargile	Executive Dir.	A Therapeutic Alternative	11/05/2018	Email
0061	Laura Clein			11/05/2018	Email
0062	Kyle Castanon		Palomar Works, Inc.	11/05/2018	Email
0063	Harllee Branch	Senior Attorney	CalRecycle	11/05/2018	Email
0064	Kevin Carmichael	Attorney	Harvest Law Group	11/05/2018	Email
0065	Jenn Price	Dir. Of State Compliance	Golden State GR	11/05/2018	Email

0066	Timour Khouznoutdinov			11/05/2018	Email
0067	Diana Gamzon	Executive Dir.	Nevada County Cannabis Alliance	11/05/2018	Email
0068	Lindsay Robinson	Executive Dir.	California Cannabis Industry Association	11/05/2018	Email
0069	Omar Figueroa	Attorney	Law Offices of Omar Figueroa	11/05/2018	Email
0070	Marvin Pineda	Attorney	Capitol Strategies Group	11/05/2018	Email
0071	Monique Ramirez		Covelo Cannabis Advocacy Group	11/05/2018	Email
0072	Scott Vasterling		Humboldt County Growers Alliance Board Member	11/05/2018	Email
0073	Thomas Mulder	CEO	Humboldt Redwood Healing	11/05/2018	Email
0074	Ross Gordon	Program Coordinator, Policy	California Growers Association	11/05/2018	Email
0075	Frankie Joe Myers		Office of Tribal Heritage Preservation	11/05/2018	Email
0076	Lauren Payne	Senior Regulatory Analyst	Green Rush Consulting	11/05/2018	Email
0077	Thomas Mulder	CEO	Humboldt Redwood Healing	11/05/2018	Email
0078	Vincent Aguilar			11/05/2018	Email
0079	Lauren Fraser	Executive Dir.	Cannabis Distribution Association	11/05/2018	Email
0080	Holly Carter		Oxalis	11/05/2018	Email
0081	Vincent Aguilar			11/05/2018	Email
0082	Rand Martin		MVM Strategy Group	11/05/2018	Email
0083	Tom DiGiovanni	Chief Financial Officer	Canndescent	11/05/2018	Email
0084	Alice Moon	Public Relations Manager	Paragon Coin	11/05/2018	Email
0085	Alice Moon	Public Relations Manager	Paragon Coin	11/05/2018	Email
0086	Shannon Hattan		Fiddler's Greens	11/05/2018	Email
0087	Karen Robinson			11/05/2018	Email
0088	Chris Zanobini	Chief Executive Officer	California Grain and Feed Association	11/05/2018	Email
0089	Mark Thies			11/05/2018	Email
0090	Jessica McElfresh	Attorney	McElfresh Law, Inc.	11/05/2018	Email
0091	Courtney Bailey	Cultivator	Giving Tree Farms	11/05/2018	Email
0092	Omar Figueroa	Attorney	Law Office of Omar Figueroa	11/05/2018	Email
0093	An-Chi Tsou			11/05/2018	Email

0094	Mark Thies			11/05/2018	Email
0095	Elisa Allechant			11/05/2018	Email
0096	A. Reel			11/05/2018	Email
0097	Jeff Jones			11/05/2018	Email
0098	Margot Wampler			11/05/2018	Email
0099	Margot Wampler			11/05/2018	Email
0100	Holly Ellis			11/05/2018	Email
0101	Sean Kelley		Sparc	11/05/2018	Email
0102	Sequoyah Hudson		CannAssert LLC	11/05/2018	Email
0103	Ruth Bergman		Deep Roots	11/05/2018	Email
0104	Meagan Hedley			11/05/2018	Email
0105	Frank Gallagher		Capital Structures Realty Advisors	11/05/2018	Email
0106	Chiah Rodriques	Operations Director	Mendocino Generations	11/05/2018	Email
0107	Kelly O'Brien	Legal Assistant	Leland, Parachini, Steinberg, Matzger, & Melnick	11/05/2018	Email
0108	Simone Sandoval	Director	Highroad Consulting Group	11/05/2018	Email
0109	Aaron Johnson	Partner	Johnson, Rovella, Retterer, Rosenthal, & Gilles	11/05/2018	Email
0110	Peter Dugre	Executive Dir.	Cannabis Association for Responsible Producers	11/05/2018	Email
0111	Thomas Mulder	CEO	Humboldt Redwood Healing	11/05/2018	Email
0112	Margro Advisors		Margro Advisors	11/05/2018	Email
0113	Elena Lingas	Assistant Dir.	Touro University California	11/05/2018	Email
0114	Beverly Yu	Policy Advocate	UDW/AFSCME Local 3930	11/05/2018	Email
0115	Greg Cherry		Shazzam Farms	11/05/2018	Email
0116	Mikal Jakubal			11/05/2018	Email
0117	Alexandra Butler			11/05/2018	Email
0118	Debbie Perticara		Eden Farms	11/05/2018	Email
0119	Erin McCarrick			11/05/2018	Email
0120	Alison Rivas			11/05/2018	Email
0121	Jared Ficker			11/05/2018	Email
0122	John Landis	Attorney	Bird Law Group	11/05/2018	Email

B. Comments and Responses Related to Articles 1 through 7

ARTICLE 1. DEFINITIONS

Section 8000. Definitions.

Comment: Regarding section 8000(d), the scientific definition of what a strain/cultivar is not established or known. There is no value in requiring a cultivator to test each strain/cultivar grown in the same room/outdoor patch. **[0018]**

Response: CDFA rejects this comment. “Cultivar” is a common term in the industry and botany, and the term “strain” was previously included in the definition of the word “batch.” Further, this change was made in direct response to a comment in the rulemaking process and received stakeholder support. The testing portion of this comment is irrelevant because testing requirements apply to “strain” which was included in the previous rulemaking and is not directly related to the addition of the word “cultivar” in the modified text.

Comment: Regarding section 8000(z), changing this section prevents small, rural farmers from being able to use the same premises to share areas. Further, nothing in statute requires the premises to be limited to one license. It is incumbent on the regulatory agencies to enact regulations that achieve the purpose of SB 94 to the extent they are commercially feasible such that a reasonably prudent small rural farmer is not forced to operate under a license in a manner that is not so onerous as to render the license (in practice) not worth holding. **[0025; 0028; 0029; 0030; 0038; 0061; 0087; 0091; 0097; 0102; 0117]**

Response: CDFA agrees with this comment. To accommodate this comment the Department reverted back to the text proposed in the original rulemaking.

Comment: Regarding section 8000(z), while minor changes were made in the latest proposed regulations, more impactful changes cannot be made without a change in legislation. The statute disadvantages rural operators. **[0061]**

Response: This comment is correct. Regarding the definition of “premises,” CDFA reverted back to the text proposed in the original rulemaking. The definition is also statutorily defined in

Business and Professions Code section 26001, subdivision (ap). CDFA does not have authority to amend statute.

ARTICLE 2. APPLICATIONS

Section 8102. Annual License Application Requirements.

Comment: Regarding section 8102(r), in alignment with DPH regulations, requests CDFA revise section to explicitly allow the use of a PEIR to demonstrate project specific CEQA compliance in accordance with State CEQA Guidelines section 15168 and 15162. **[0015]**

Response: CDFA rejects this comment. Nothing in the modified text prohibits a PEIR from being used to demonstrate CEQA compliance. The Department does not believe it to be reasonable or necessary to include explicit examples of CEQA documents which may be accepted because CEQA documents and compliance vary amongst jurisdictions. Including such information would be redundant and could possibly prevent the Department from meeting its CEQA obligations by mandating we accept documentation which may not adequately address the Department's CEQA needs, which include evidence that site specific CEQA analysis was conducted.

Comment: Regarding section 8102(r)(1), please make it clear that this requirement can be fulfilled after the application is submitted (but before annual license is issued) and specifically state that provisional licenses may be issued in the meantime. Many local jurisdictions will be using site inspections to create the necessary environmental review and often those inspections have not been conducted prior to submission of the annual application. **[0025; 0029; 0030; 0038; 0061; 0087; 0091; 0097; 0117]**

Response: CDFA rejects this comment. The inclusion of the language “and/or any accompanying permitting documentation from the local jurisdiction used for review in determining site specific environmental compliance” provides applicants the option of submitting any documentation they have from the local jurisdiction indicating compliance with CEQA is underway which would (pending an otherwise complete application) enable the

Department to issue a provisional license. Provisional license language is statutory, as such repeating it in regulation would be redundant and is not necessary.

Comment: Regarding section 8102(r)(1), it is unknown how this will affect provisional licensing and if it will create issues for counties and/or cities developing CEQA documents. Perhaps there should be an extended time period to meet this requirement. This is still a current issue with studies taking longer than expected in many localities. [0057; 0058; 0060; 0066]

Response: CDFA rejects this comment. The inclusion of the language “and/or any accompanying permitting documentation from the local jurisdiction used for review in determining site specific environmental compliance” provides applicants the option of submitting any documentation they have from the local jurisdiction indicating compliance with CEQA is underway which would (pending an otherwise complete application) enable the Department to issue a provisional license. The statutory language allowing licensing authorities to issue provisional licenses is in effect until January 1, 2020. The Department does not have the authority to extend this time period.

Comment: Regarding section 8102(r)(1), amend this section to allow applicants to proceed with their annual applications if they can demonstrate meaningful steps forward in completing the CEQA process. Additionally, if applicants have encountered difficulties which are largely out of their control (i.e. local jurisdiction has completed no CEQA review of its cannabis programs), the applicant may be allowed to have their application vetted with a mutually agreed upon time frame for the completion of their CEQA review. [0027]

Response: CDFA rejects this commenter’s interpretation of the regulations. As written, the regulations allow the activity specified by the comment to occur. Applicants can proceed with submitting annual applications if CEQA is underway. Further, Business and Professions Code section 26050.2 permits licensing authorities to issue provisional licenses to applicants whom have submitted a complete application which includes evidence that compliance with CEQA is underway.

Comment: Regarding section 8102(bb), remove this requirement. Requiring the supervisor and an employee to attend this course is burdensome on the licensee. If requirement is kept, we request that only a supervisor is required to attend this course and not require employees to attend as well. **[0064]**

Response: CDFA rejects this comment. The Department cannot remove this requirement as it is directly from statute. Assembly Bill 2799 (Jones-Sawyer, Chapter 971, Statutes of 2018) amended Business and Professions Code section 26051.5, subdivision (a)(11) to require the Cal-OSHA training course attestation now in proposed regulation section 8102(bb).

Comment: Regarding section 8102(bb), modify the condition to allow the applicant or only one employee (if less than 10 employees) to complete Cal-OSHA training. Requiring a very small business to pay for 30-hours of employee training for two employees is expensive in both labor cost and lost work hours. **[0112]**

Response: CDFA rejects this comment. The Department cannot alter the Cal-OSHA requirement because it comes directly from statute (Bus. & Prof. Code, § 26051.5, subd. (a)(11)) and the Department does not have the authority to change it. The Department notes that Business and Professions Code section 26051.5, subdivision (a)(11)(B) exempts this requirement for applicants with only one employee.

Section 8106. Cultivation Plan Requirements.

Comment: Regarding section 8106(a), please allow same structures **[0040]**

Response: CDFA has decided not to accommodate this comment. If the comment means allowing the same structures to be shared, that activity is allowed. The same area within the same structure is not allowed to be shared amongst multiple licenses for specified non-shareable activities. If the comment is referring to something else, the Department is unsure what the comment is referring to.

Comment: Regarding section 8106(a)(1)(A), please consider some language that allows temporary removal of plants from the canopy limit area for “intermittent care” such as in quarantine best practices or in the event a plant needs to be moved for another individualized activity. Including a quarantine area in canopy calculation is prohibitive. [0026; 0081]

Response: CDFA rejects this comment. Licensees may include quarantine areas in their canopy area(s) to implement individualized intermittent plant care as needed. Licensees are not required to maximize their canopy areas to the detriment of best practice implementation. Allowing the temporary removal from canopy area(s) could easily lead to cannabis diversion and subsequent compliance and enforcement issues. Additionally, it would not be feasible for the Department to determine if cannabis plants are legitimately being placed in areas outside of the canopy area or the space is being used as additional canopy space in excess of what the license allows. The Department maintains that identifiable canopy boundaries are necessary for fair and consistent implementation of these regulations.

Comment: Regarding section 8106(a)(1)(A), amend to say “the boundary shall be identified and labeled on the diagram and at no time during the licensed period may any ~~portion of a~~ cannabis plant be maintained such that any portion of a flowering cannabis plant extends over the boundary. This does not bar licensees from moving cannabis plants within their licensed premises from one location to another.” [0076; 0079]

Response: CDFA rejects this comment in part. The inclusion of the recommend language “may any plant be maintained such that” is too subjective to interpretation and would lead to difficulty with enforcement and compliance. Further, licensees are not permitted to move cannabis plants outside of canopy area(s). However, the Department struck the proposed modified language which stated “the boundary shall be identified and labeled on the diagram and at no time during the licensed period may any portion of a cannabis plant extend over the boundary” from the final proposed text due to comments received.

Comment: Regarding section 8106(a)(1)(A), the new language is overly burdensome and unnecessarily restrictive. A change in definition of “canopy area” would be better suited as opposed to an addition to the premises diagram. [0068; 0090]

Response: CDFA accepts this comment and struck the modified language from section 8106(a)(1)(A).

Comment: Regarding section 8106(a)(1)(A), the amended language seems to suggest CDFA has a zero tolerance and enforcement action will be taken against operators who have plants extending over boundaries. This is unreasonable due to highly variable growing patterns amongst plants and many have a few leaves or branches which could extend over the boundary as it grows depending on the time of year or period during the growing cycle. [0110]

Response: CDFA has addressed and accommodated this comment by striking the modified language from section 8106(a)(1)(A).

Comment: Regarding section 8106(a)(1)(A), this section is problematic for outdoor cultivators as numerous factors could cause a plant to fall outside of the designated canopy area. Cultivators should be allowed to remedy such a situation or else have the square footage counted against their canopy assessment. [0101]

Response: CDFA accepts this comment and struck the modified language from section 8106(a)(1)(A).

Comment: Regarding section 8106(a)(1)(A), add “if plants extend beyond canopy, the increased area shall be counted in the canopy assessment during an inspection. If that raises the total canopy above the licensed amount and the plants cannot be moved within the previously designated canopy area, they shall be immediately harvested or treated as cannabis waste, as is appropriate.” [0101]

Response: CDFA rejects this comment in part. Rather than accept the suggested language, the Department struck the modified language from section 8106(a)(1)(A) which should alleviate the commenter's concern regarding canopy inspections.

Comment: Regarding section 8106(a)(1)(A), recommend section be adjusted to specify "flowering" plants. [0076; 0079]

Response: CDFA rejects this comment in part as canopy area(s) include only mature plants. Mature plants are defined as a cannabis plant that is flowering. Including additional language specifying "flowering" plants is unnecessary and redundant. However, CDFA struck the modified language regarding cannabis plants extending over boundaries from section 8106(a)(1)(A).

Comment: Regarding section 8106(a)(1)(A), remove the added prohibition on extensions over the boundary. Membership has submitted hundreds of premises maps for annual applications currently pending review identifying garden benches/beds as described in the previous language. It is not unusual for plants to occasionally extend beyond the boundaries of the garden beds. Amending the definition of canopy boundaries will likely require members to modify and resubmit premises diagrams which would be overly onerous on a burgeoning industry which is already burdened with meeting endless local and state operating requirements. [0110; 0112]

Response: CDFA accepts this comment and struck the modified language from section 8106(a)(1)(A).

Comment: Regarding section 8106(a)(1)(B), not being able to share propagation areas would make it impossible to comply with local requirements. This regulation is not necessary because each individual plant is already recorded in track-and-trace. Sharing should be allowed as long as it is the same licensee and everything is on the same premises. Not being able to share on the same premises makes it impossible for someone to comply with both county and state. [0003]

Response: CDFA disagrees with this comment. Sharing the same propagation area amongst multiple licenses requires a nursery license under these regulations. Further, licensees may designate individual propagation areas for each individual license as long as separate areas are designated, labeled, and appropriately identified for each individual license. The Department believes licensees will be able to comply with both local and state regulations. Further, the comment does not provide any specific information indicating how the Department's proposed regulations conflict with local requirements.

Comment: Regarding section 8106(a)(1)(B), remove "not" to allow an entity only shared nursery. It is inefficient for farms with multiple growing methods, which require multiple licenses to require separate nurseries for each license. A licensee should be allowed to develop their plants in a single location and utilize the results to optimize production across licenses. This is especially important for rural small farms with restricted space in which to host immature plants. **[0112]**

Response: CDFA disagrees with this comment. Sharing the same propagation area amongst multiple licenses requires a nursery license under the Department's proposed regulations. Further, licensees may designate individual propagation areas for each individual license as long as separate areas are designated, labeled and appropriately identified for each individual license. This language is necessary to maintain the validity and fairness of the nursery license type.

Comment: Regarding section 8106(a)(1)(B), (D), and (E), these are all very confusing statements. I assume it means that you need a nursery license or a processing license if you have multiple cultivation licenses and you can't operate under one of the multiple cultivation licenses for these other activities if you're doing these "onsite?" Please clarify. **[0059]**

Response: CDFA disagrees that this section of the regulation is unclear. The comment is correct that a licensee would need a nursery license or a processing license to complete those

activities for multiple licenses. Alternatively, licensees may designate, label and appropriately identify processing and/or immature plant areas for each individual license they hold.

Comment: Regarding section 8106(a)(1)(B), (D), and (E), thanks to the Department for allowing shared spaces. However, prohibiting sharing for immature plants, processing areas, and packaging areas is extremely problematic both economically and logistically. **[0102]**

Response: CDFA rejects this comment. The Department maintains its stance regarding shared spaces as described in the final statement of reasons and other comment responses.

Comment: Regarding section 8106(a)(1)(B), (D), and (E), request the Department consider allowing shared spaces for immature plants, processing and packaging with licensees with no more than 2-4 licenses or with a reasonably cumulative amount of square feet of cultivation (less than one acre). **[0102]**

Response: CDFA rejects this comment. The Department maintains its stance regarding shared spaces as described in the final statement of reasons and other comment responses. However, Chapter 22 of the Business and Professions Code details the creation and structure of cannabis cooperatives, which provides for sharing licensed activities amongst small farmers.

Comment: Regarding section 8106(a)(1)(B), (D), (E), and (I), the prohibition on shared areas among multiple licenses held by one licensee should be stricken. Alternatively, the word “not” should be stricken so that the language reads, “this area may be shared among multiple licenses held by one licensee.” **[0092]**

Response: CDFA rejects this comment. The shareable area(s) language was in response to comments received during the 45-day comment period requesting guidance on shared spaces between licenses. The proposed regulatory language reflects the Department’s effort to support streamlined cultivation operations by permitting licensees to share areas for which the activity does not require an additional state license. Expanding shared areas to include processing, immature plant, and packaging areas would undermine the integrity of the

processing and nursery licenses and would be unfair to licensees holding nursery and processing licenses. Licensees may apply for processing and nursery licenses to offer these activities to multiple licenses. Further, licensees may designate processing, immature plant, and packaging areas for each individual license as long as separate areas are designated, labeled, and appropriately identified for each individual license. For example, a single licensee could have multiple immature plant areas for multiple licenses within one facility as long as each area is individually identified and designated to each license.

Comment: Regarding section 8106(a)(1)(D), not being able to share processing areas would make it impossible to comply with local requirements. Sharing should be allowed as long as it is the same licensee and everything is on the same premises. Not being able to share on the same premises makes it impossible for someone to comply with both county and state. [0003]

Response: CDFA disagrees with this comment. Sharing the same processing area amongst multiple licenses requires a processing license under these regulations. Further, licensees may designate processing areas for each individual license as long as separate areas are designated, labeled and appropriately identified for each individual license. The Department believes licensees will be able to comply with local and state regulations.

Comment: Regarding section 8106(a)(1)(D), multiple licenses should be able to use the same processing area as long as materials are not commingling or being utilized during the same time period. Not doing so will create huge redundancies, introduce a burdensome cost to farms, create a larger carbon footprint and increase environmental impacts. [0057; 0058; 0060; 0066]

Response: CDFA disagrees with this comment. Sharing the same processing area amongst multiple licenses requires a processing license under the proposed regulations. Further, licensees may designate processing areas for each individual license as long as a separate area is designated, labeled and appropriately identified for each individual license. Expanding shared areas to include processing areas would undermine the integrity of the processing licenses and would be unfair to licensees holding a processing license.

Comment: Regarding section 8106(a)(1)(D), this change would directly impact business operations for sun grown and rural farmers with multiple licenses on one property who rely on the ability to streamline operations by having a packing or processing facility that intakes from multiple licenses. **[0068]**

Response: CDFA rejects this comment. The activity described by the commenter can be conducted under the appropriate license; a processing license. Further, licensees may designate processing areas for each individual license as long as separate areas are designated, labeled and appropriately identified for each individual license or send their product to licensed processing facilities to streamline their operation. Expanding shared areas to include processing would undermine the integrity of the processing licenses and would be unfair to licensees holding a processing license.

Comment: Regarding section 8106(a)(1)(D), remove “not” to allow an entity only sharing processing. It is inefficient for farms with multiple growing methods, which require multiple licenses to require separate processing spaces for each license. A licensee should be allowed to process in a single location and optimize its production across licenses. This is especially important for smaller rural farms with restricted space. **[0112]**

Response: CDFA rejects this comment. Sharing the same processing areas amongst multiple licenses requires a processing license under these regulations. Further, licensees may designate processing areas for each individual license as long as separate areas are designated, labeled and appropriately identified for each individual license. Expanding shared areas to include processing would undermine the integrity of the processing licenses and would be unfair to licensees holding a processing license. This language is necessary to maintain the validity of the processing license type.

Comment: Regarding section 8106(a)(1)(D) and (E) that prohibits the sharing of packaging and processing areas, this prohibition has a direct negative impact on the operations of our multiple licenses at our single facility without any apparent benefit or alignment with statute or

public policy. This provision would force us to replicate our packaging and processing operations for each separate license we hold. **[0082]**

Response: CDFA rejects this comment. The activity described by the commenter can be conducted under the appropriate license; a processing license. Further, licensees may designate processing areas for each individual license as long as separate areas are designated, labeled and appropriately identified for each individual license. Licensees also have the option of sending product to a licensed processor. Expanding shared areas to include processing would undermine the integrity of the processing licenses and would be unfair to licensees holding a processing license.

Comment: Regarding section 8106(a)(1)(D) and (E), they unduly burden a licensee from having a single processing, packaging, or immature plant storage area. This requirement will wreak havoc and require inefficiency for many licensees already operating with centralized areas for these tasks, especially since local governments have approved these layouts and people have built their sites to conform to these approved local plans. **[0090]**

Response: CDFA rejects this comment. The activity described by the commenter can be conducted under the appropriate license; a processor license. Further, licensees may designate processing areas for each individual license as long as separate areas are designated, labeled, and appropriately identified for each individual license. Licensees also have the option of sending product to a licensed processing. Expanding shared areas to processing, immature plant, and packaging areas would undermine the integrity of the processing and nursery licenses and would be unfair to licensees holding a processing or nursery license.

Comment: Regarding section 8106(a)(1)(B), (D), and (E), consider stating clearly that in the case of processing and packaging that no licensees products may occupy a shared processing and/or packaging area at the same time. Commenter believes that would accomplish what is intended by the prohibition as published. **[0102]**

Response: CDFA rejects this comment. Accommodating this comment would allow all areas to be sharable as long as they are used for one license at a time. Licensees may designate processing areas for each individual license as long as separate areas are designated, labeled, and appropriately identified for each individual license or may obtain a processor license. Licensees also have the option of sending product to a licensed processor. Expanding shared areas to processing and packaging areas would undermine the integrity of the processing licenses and would be unfair to licensees holding a processing license.

Comment: Regarding section 8106(a)(1)(E), multiple licenses should be able to use the same packaging area as long as materials are not commingling or being utilized during the same time period. Not doing so will create huge redundancies, introduce a burdensome cost to farms, create a larger carbon footprint and increase environmental impacts. [0057; 0058; 0060; 0066]

Response: CDFA disagrees with this comment. Sharing the same packaging area amongst multiple licenses requires a processing license under these regulations. Licensees packaging cannabis for multiple licenses may acquire a processing license. Further, licensees may designate packaging areas for each individual license as long as separate areas are designated, labeled, and appropriately identified for each individual license.

Comment: Regarding section 8106(a)(1)(E), this change would directly impact business operations for sun grown and rural farmers with multiple licenses on one property who rely on the ability to streamline operations by having a packing or processing facility that intakes from multiple licenses. [0068]

Response: CDFA rejects this comment. The activity described by the commenter should be conducted under the appropriate license; a processing license. Allowing the described activity to occur without the appropriate license would be unfair for licensees holding a processing license. Further, licensees may designate processing areas for each individual license as long as separate areas are designated, labeled and appropriately identified for each individual license. This language is necessary to maintain the validity of the processing license type.

Comment: Regarding section 8106(a)(1)(E), remove “not” to allow an entity-only processing. It is inefficient for farms with multiple growing methods, which require multiple licenses to require separate packaging spaces for each license. A licensee should be able to package in a single location and optimize its production across licenses. This is especially important for smaller rural farms with restricted space. **[0112]**

Response: CDFA rejects this comment. The proposed regulations do not prohibit cultivators from having one location for packaging and processing, so long as they also obtain a separate processor license. Further, licensees may designate processing areas for each individual license as long as separate areas are designated, labeled, and appropriately identified for each individual license. This language is necessary to maintain the validity of the processing license type.

Comment: Regarding section 8106(a)(1)(I), the inability to share the same facility for the same activity under a separate license creates an undue burden on applicants (small farmers) to develop unnecessary infrastructure, further disturbs land and is expensive. At the very least, please allow the same structure to be used (add to the list of shared areas for one licensee) and require segregation by separate container. **[0025; 0028; 0029; 0030; 0038; 0061; 0087; 0091; 0097; 0104; 0117]**

Response: CDFA disagrees with this commenter’s interpretation of the regulations. The regulation does not prohibit the same facility from being occupied by multiple commercial cannabis licenses. The same area within the same facility cannot be used for multiple licenses for the specified non-shareable areas (immature plant, processing, etc.). The regulation permits licensees to use different areas within the same facility as long as each area is clearly identified as unique to each license on the premises diagram(s). For example, a single licensee could have multiple areas designated for cannabis subject to an administrative hold in one facility for multiple licenses as long as each area is individually identified and designated to each license.

Comment: Regarding section 8106(a)(1)(J), allow single cultivators (one licensee) with multiple licenses to share processing, immature plant, and packaging areas in addition to storage, compost and waste areas. Sharing is essential for small farms and will ensure equitable access to processing and nursery licenses which are not scaled to size of operation. **[0046; 0051; 0055; 0067; 0091; 0074]**

Response: CDFA rejects this comment. The shareable area(s) language was in response to comments received during the 45-day comment period requesting guidance on shared spaces between licenses. The proposed regulatory language reflects the Department's effort to support streamlined cultivation operations by permitting licensees to share areas for which the activity does not require an additional state license. Expanding shared areas to include processing, immature plant, and packaging areas would undermine the integrity of the processing and nursery licenses and would be unfair to licensees holding nursery and processing licenses. Licensees may apply for processing and nursery licenses to conduct these activities to multiple licenses. Further, licensees may designate processing, immature plant and packaging areas for each individual license as long as separate areas are designated, labeled and appropriately identified for each individual license. For example, a single licensee could have multiple immature plant areas for multiple licenses within one facility as long as each area is individually identified and designated to each license. It is necessary for licensees to differentiate these areas or combine them into one licensed nursery or processor to ensure the Department's inspectors can accurately and efficiently audit the licensee's inventory in the track and trace system.

Comment: Regarding section 8106(a)(1)(J), thank you for allowing this. Please expand allowable shared uses to include harvest storage, processing and immature plant areas. Nothing in statute prohibits expanding the list of shared areas by one licensee. It is environmentally irresponsible, and it is not necessary to require these areas be separate as track and traces provides complete accountability and tracking for each license. Small farmers cannot afford the additional costs. **[0025; 0028; 0029; 0030; 0038; 0061; 0087; 0091; 0097; 0104; 0117]**

Response: CDFA rejects this comment. The shareable area(s) language was in response to comments received during the 45-day comment period requesting guidance on shared spaces between licenses. The proposed regulatory language reflects the Department's effort to support streamlined cultivation operations by permitting licensees to share areas for which the activity does not require an additional state license. Expanding shared areas to include processing, immature plant, and packaging areas would undermine the integrity of the processing and nursery licenses and would be unfair to licensees holding nursery and processing licenses. Licensees may apply for processing and nursery licenses to conduct these activities to multiple licenses. Further, licensees may designate processing, immature plant and packaging areas for each individual license as long as separate areas are designated, labeled and appropriately identified for each individual license. For example, a single licensee could have multiple immature plant areas for multiple licenses within one facility as long as each area is individually identified and designated to each license. It is necessary for licensees to differentiate these areas or combine them into one licensed nursery or processor to ensure the Department's inspectors can accurately and efficiently audit the licensee's inventory in the track and trace system.

Comment: Regarding section 8106(a)(1)(J), expand shareable areas to include packaging, processing and immature plants areas. [0071; 0089]

Response: CDFA rejects this comment. The shareable area(s) language was in response to comments received during the 45-day comment period requesting guidance on shared spaces between licenses. The proposed regulatory language reflects the Department's effort to support streamlined cultivation operations by permitting licensees to share areas for which the activity does not require an additional state license. Expanding shared areas to include processing, immature plant, and packaging areas would undermine the integrity of the processing and nursery licenses and would be unfair to licensees holding nursery and processing licenses. Licensees may apply for processing and nursery licenses to conduct these activities to multiple licenses. Further, licensees may designate processing, immature plant, and packaging areas for each individual license as long as separate areas are designated, labeled, and appropriately identified for each individual license. For example, a

single licensee could have multiple immature plant areas for multiple licenses within one facility as long as each area is individually identified and designated to each license. It is necessary for licensees to differentiate these areas or combine them into one licensed nursery or processor to ensure the Department's inspectors can accurately and efficiently audit the licensee's inventory in the track and trace system.

Comment: Regarding section 8106(a)(1)(J), expand shareable areas to include processing and immature plants areas if the same entity controls the operations and as long as the operator only processes from one license at a time. **[0073]**

Response: CDFA rejects this comment. The shareable area(s) language was in response to comments received during the 45-day comment period requesting guidance on shared spaces between licenses. The proposed regulatory language reflects the Department's effort to support streamlined cultivation operations by permitting licensees to share areas for which the activity does not require an additional state license. Expanding shared areas to include processing, immature plant, and packaging areas would undermine the integrity of the processing and nursery licenses and would be unfair to licensees holding nursery and processing licenses. Licensees may apply for processing and nursery licenses to conduct these activities to multiple licenses. Further, licensees may designate processing, immature plant and packaging areas for each individual license as long as separate areas are designated, labeled and appropriately identified for each individual license. For example, a single licensee could have multiple immature plant areas for multiple licenses within one facility as long as each area is individually identified and designated to each license. It is necessary for licensees to differentiate these areas or combine them into one licensed nursery or processor to ensure the Department's inspectors can accurately and efficiently audit the licensee's inventory in the track and trace system.

Comment: Regarding section 8106(a)(1)(J), remove "must be contiguous" and add "within a property" to allow non-contiguous shared spaces within a single property, and add nursery processing, and packaging as shareable functions. **[0112]**

Response: CDFA rejects this comment. With respect to the comment to remove language requiring contiguous areas, this requirement comes from the definition of “premises” in Business and Professions Code section 26001, subdivision (ap). Therefore, the Department is merely implementing the statute. The shareable area(s) language was in response to comments received during the 45-day comment period requesting guidance on shared spaces between licenses. The proposed regulatory language reflects the Department’s effort to support streamlined cultivation operations by permitting licensees to share areas for which the activity does not require an additional state license. Expanding shared areas to include processing, immature plant, and packaging areas would undermine the integrity of the processing and nursery licenses and would be unfair to licensees holding nursery and processing licenses. Licensees may apply for processing and nursery licenses to conduct these activities to multiple licenses. Further, licensees may designate processing, immature plant and packaging areas for each individual license as long as separate areas are designated, labeled and appropriately identified for each individual license. For example, a single licensee could have multiple immature plant areas for multiple licenses within one facility as long as each area is individually identified and designated to each license. It is necessary for licensees to differentiate these areas or combine them into one licensed nursery or processor to ensure the Department’s inspectors can accurately and efficiently audit the licensee’s inventory in the track and trace system.

Comment: Regarding section 8106(a)(1)(J), please expand allowed shared uses for small farmers. **[0040]**

Response: CDFA rejects this comment. The Department maintains its stance regarding shared spaces as described in the final statement of reasons and other comment responses. However, Chapter 22 of the Business and Professions Code governs cannabis cooperatives and includes provisions for sharing licensed activities amongst small farmers.

Comment: Regarding section 8106(a)(1)(J), request the designated harvest storage area be shareable amongst one licensee. **[0036]**

Response: CDFA rejects this comment. The harvest storage areas were permitted to be shared under the 15-day modified text. However, upon further review, the Department determined sharing harvest storage areas could pose compliance and enforcement issues for inspection staff. Further, track-and-trace issues could arise if harvested product is commingled amongst multiple licenses. As such, the harvest storage area is not sharable amongst licensees with multiple licenses.

Comment: Regarding section 8106(a)(1)(J), the new restrictions on shareable areas risk the existence of cultivation incubator programs. The dramatically increased costs and space requirements for equity incubation under these proposed changes are prohibitive. **[0076; 0079]**

Response: CDFA rejects this comment. The modified language further specifies and clarifies the intent of the canopy definition and of identifiable boundaries. The Department does not believe this regulatory change will be directly and solely prohibitive for equity incubation programs, which are exposed to a wide variety of other regulatory and business costs. The Department maintains this language necessary for fairness and consistency for all licenses.

Comment: Regarding section 8106(a)(1)(J), the new restrictions on shareable areas favor large business entities who are able to seek licensure for a separate manufacturing or processing license that would enable them to process or package cannabis or cannabis products for multiple partner licenses, by taking custody of those products. **[0076; 0079]**

Response: CDFA rejects this comment. The Department maintains its stance regarding shared spaces as described in the final statement of reasons and other comment responses. Inherently large business entities may be able to seek additional licensure versus smaller businesses. Yet, obtaining licensure for additional activities is not the only option available to businesses. Onsite processing and packaging can still occur, and licensees can send product to licensed processors to save costs. Additionally, the Department reminds the commenter that Chapter 22 of the Business and Professions Code governs cannabis cooperatives and includes provisions for sharing licensed activities amongst small farmers.

Comment: Regarding section 8106(a)(1), please reconsider the proposed regulations with the points regarding shared spaces and keep the regulations as they were previously. **[0105]**

Response: CDFA rejects this comment. The shareable area(s) language was in response to comments received during the 45-day comment period requesting guidance on shared spaces between licenses. The proposed regulatory language reflects the Department's effort to support streamlined cultivation operations by permitting licensees to share areas for which the activity does not require an additional state license. Expanding shared areas to include processing, immature plant, and packaging areas would undermine the integrity of the processing and nursery licenses and would be unfair to licensees holding nursery and processing licenses. Licensees may apply for processing and nursery licenses to conduct these activities to multiple licenses. Further, licensees may designate processing, immature plant and packaging areas for each individual license as long as separate areas are designated, labeled and appropriately identified for each individual license. For example, a single licensee could have multiple immature plant areas for multiple licenses within one facility as long as each area is individually identified and designated to each license. It is necessary for licensees to differentiate these areas or combine them into one licensed nursery or processor to ensure the Department's inspectors can accurately and efficiently audit the licensee's inventory in the track and trace system.

Comment: Regarding section 8106(a)(1), rewrite the section to permit multiple license cultivation sites held by one licensee to submit viable plans for the use of shared spaces for all applicable activities. **[0027]**

Response: CDFA rejects this comment. The shareable area(s) language was in response to comments received during the 45-day comment period requesting guidance on shared spaces between licenses. The proposed regulatory language reflects the Department's effort to support streamlined cultivation operations by permitting licensees to share areas for which the activity does not require an additional state license. Expanding shared areas to include processing, immature plant, and packaging areas would undermine the integrity of the processing and nursery licenses and would be unfair to licensees holding nursery and

processing licenses. Licensees may apply for processing and nursery licenses to conduct these activities to multiple licenses. Further, licensees may designate processing, immature plant and packaging areas for each individual license as long as separate areas are designated, labeled and appropriately identified for each individual license. For example, a single licensee could have multiple immature plant areas for multiple licenses within one facility as long as each area is individually identified and designated to each license. It is necessary for licensees to differentiate these areas or combine them into one licensed nursery or processor to ensure the Department's inspectors can accurately and efficiently audit the licensee's inventory in the track and trace system.

Comment: Regarding section 8106(a)(1), remove the language prohibiting shared spaces and instead require cannabis goods within shared spaces to be marked with the applicable licensee's information. **[0108]**

Response: CDFA rejects the commenter's interpretation of the regulations. The shareable area(s) language was in response to comments received during the 45-day comment period requesting guidance on shared spaces between licenses. The proposed regulatory language reflects the Department's effort to support streamlined cultivation operations by permitting licensees to share areas for which the activity does not require an additional state license. Expanding shared areas to include processing, immature plant, and packaging areas would undermine the integrity of the processing and nursery licenses and would be unfair to licensees holding nursery and processing licenses. Licensees may apply for processing and nursery licenses to conduct these activities to multiple licenses. Further, licensees may designate processing, immature plant and packaging areas for each individual license as long as separate areas are designated, labeled and appropriately identified for each individual license. For example, a single licensee could have multiple immature plant areas for multiple licenses within one facility as long as each area is individually identified and designated to each license. It is necessary for licensees to differentiate these areas or combine them into one licensed nursery or processor to ensure the Department's inspectors can accurately and efficiently audit the licensee's inventory in the track and trace system.

Comment: Regarding section 8106(a)(1), if I have all 5 of my type 2 cultivation licenses in one entity, the language above would require 5 new processing areas to be inserted within the footprint of the licensed cultivation area. The net effect reduces the cultivation output by 25%. What is the intent of the proposed regulations? **[0105]**

Response: CDFA rejects this comment. Licensees may designate processing areas within the same facility for each individual license as long as separate areas are designated, labeled, and appropriately identified for each individual license. For example, a licensee could have multiple areas for multiple licenses designated for cannabis processing within the same structure/facility as long as each area is separately identified per each license. Licensees also have the option of sending product to a licensed processor or obtaining a processor license for themselves. Expanding shared areas to processing, immature plant, and packaging areas would undermine the integrity of the processing and nursery licenses and would be unfair to licensees holding a processing or nursery license.

Comment: Regarding section 8106(a)(1)(K), new language does not exclude common areas from the definition of contiguous area when a single licensee controls a multi-premises facility. Common spaces should not be deemed “non-contiguous” because the location of a common space might divide a licensed premises into two or more sections. Requests clarification to ensure that designated common areas are not considered when determining whether licensed premises are contiguous or not. **[0082]**

Response: CDFA rejects this comment. The Department is allowing common areas as provided in the cultivation plan, to be shared amongst multiple licensees and does not believe it necessary to further classify them as non-contiguous. Doing so would add additional language and redundancy to the regulations. The Department maintains the current language is clear and satisfactory.

Comment: Regarding section 8106(a)(1), modifications pertaining to sharing constitute a substantial change that was not reasonably foreseeable based on the notice of the proposed action: this should require a 45-day comment period. **[0076; 0079]**

Response: CDFA rejects this comment. The Department maintains the changes to section 8106, subdivision (a) are not major changes and do not warrant a 45-day notice. The changes to the text are substantial and sufficiently related to the originally proposed text and are adequately addressed through the 15-day comment period.

Comment: Regarding section 8106(a)(1), as an alternative to striking sharable areas, introduce a Shared Type License “S” for manufacturing whereby licensees can clearly designate which licensee is using a particular space at any given time. This would allow the full usage of the space while enabling clear tracking of each licensee and their cannabis plants and employees. [0076; 0079]

Response: CDFA rejects this comment. The processing license type was created in an effort to accommodate the process for allowing locations to process cannabis for multiple licenses. Including an additional license type to allow for shared processing centers would present the Department with an additional burden of identifying operating standards, including track-and-track, storage and cleanliness standards for such facilities. At this time the Department does not have the resources available to implement such standards and believes the processing license type is sufficient to meet the needs of the industry.

Comment: Regarding section 8106(a)(1), this prohibition is unnecessary, is not commercially feasible, and will make compliance so onerous for a licensee with multiple licenses that cultivation operations would not be worthy of being carried out in practice by a reasonably prudent business person. [0092]

Response: CDFA rejects this comment. The shareable area(s) language was in response to comments received during the 45-day comment period requesting guidance on shared spaces between licenses. The proposed regulatory language reflects the Department’s effort to support streamlined cultivation operations by permitting licensees to share areas for which the activity does not require an additional state license. Expanding shared areas to include processing, immature plant, and packaging areas would undermine the integrity of the

processing and nursery licenses and would be unfair to licensees holding nursery and processing licenses. Licensees may apply for processing and nursery licenses to conduct these activities to multiple licenses. Further, licensees may designate processing, immature plant and packaging areas for each individual license as long as separate areas are designated, labeled and appropriately identified for each individual license. For example, a single licensee could have multiple immature plant areas for multiple licenses within one facility as long as each area is individually identified and designated to each license. Considering the whole of the action as outlined above, the Department does not believe the regulation to be overly onerous or unworthy of being carried out by a reasonably prudent business person.

Comment: Regarding section 8106(a)(1), the drafted language is inconsistent with the provisions of state law, specifically AB 133, which removed the requirement for premises to be separate and distinct. Forcing cultivators to redo business layouts to comply with this provision is unreasonable and not in the interest of fundamental fairness/justice. **[0108]**

Response: CDFA rejects this comment. To the contrary, the Department believes the modified language clarifying shared spaces is consistent with provisions of state law. Explicitly specifying sharable and not sharable areas allows pieces of premises to be shared, in line with AB 133 as referenced by the commenter. The Department maintains the necessity of its allowable shared areas as identified in the Final Statement of Reasons.

Further, the proposed regulatory language reflects the Department's effort to support streamlined cultivation operations by permitting licensees to share areas for which the activity does not require an additional state license. Expanding shared areas to include processing, immature plant, and packaging areas would undermine the integrity of the processing and nursery licenses and would be unfair to licensees holding nursery and processing licenses. Licensees may apply for processing and nursery licenses to conduct these activities to multiple licenses. Additionally, licensees may designate processing, immature plant and packaging areas for each individual license as long as separate areas are designated, labeled and appropriately identified for each individual license. For example, a single licensee could have

multiple immature plant areas for multiple licenses within one facility as long as each area is individually identified and designated to each license.

Comment: Regarding section 8106(a)(1), implement common sense policies such as ensuring that tables, pesticide storage shelves, and storage bins are clearly marked with labels designated with the applicable licensee number. Commenter believes that once METRC is live, all cannabis will be appropriately tracked and will eliminate concern that cannabis goods won't be able to be tracked to the applicable license. **[0108]**

Response: CDFA rejects this comment. The Department believes allowing the identified areas to be shared amongst licensees is a common-sense policy and is necessary for the fair and consistent implementation of these regulations. The Department reminds the commenter that track-and-trace concerns are only one piece of the issue of shared spaces. The broader necessity includes the previously stated determination that activities requiring additional license types should not be shared for fairness and consistency purposes.

Comment: Regarding section 8106(a)(1), this requirement causes more environmental disturbance and harm. This would make sense for large farms, but an exception for farms under 2 acres (owned by the same entity and on the same parcel) would help minimize negative environmental impacts and help the small farmer survive in this new industry. **[0118]**

Response: CDFA rejects this comment. The Department maintains its stance regarding shared spaces as described in the final statement of reasons and other comment responses. However, Chapter 22 of the Business and Professions Code governs cannabis cooperatives and includes provisions for sharing licensed activities amongst small farmers.

Comment: Regarding section 8106(a)(1), the overlapping definitions of cultivation and processing adds confusion as well, clarifying these definitions as well as Harvest Storage Area (part of cultivation plan) would be helpful. **[0118]**

Response: CDFA rejects the comment that the definitions and regulation are unclear. The Department is not sure how or why the commenter is confused by the definitions. Without further specificity regarding the commenter's confusion, the Department maintains the definitions are clear, appropriate and necessary for the regulations.

Comment: Regarding section 8106(a)(1), requiring small cultivators (type 2) to incorporate processing functions within the footprint of cultivation decreases output (25%), reduces sales by 25%, will require compliant cultivators to shut down their operations while facilities are retrofitted (6-month minimum), will significantly impact compliant cultivators and the industry financially. **[0105]**

Response: CDFA rejects the comment. The Department is not requiring cultivators to incorporate processing functions within cultivation footprints. Onsite processing and packaging may still occur as long as the areas are appropriately identified per each license and licensees may also send product to streamlined processors to save costs. Additionally, Chapter 22 of the Business and Professions Code governs cannabis cooperatives and includes provisions for sharing licensed activities amongst small farmers.

Comment: Regarding section 8106(a)(1), restrictions are particularly hard to meet, would result in needless expense, and are particularly mystifying because the same section also mandates the areas must be contiguous and does allow for shared areas. Track-and-trace will eliminate the possibility of intermingling. There is no rational reason for not allowing shared spaces for all cultivation activities as long as the licensee proves intermingling has not occurred. **[0027]**

Response: CDFA disagrees with this comment. The Department believes there are multiple reasons for allowing certain areas to be shared. Specifically, the shareable areas are those that do not involve activities that require additional licensure. Allowing areas which require a separate licensure, such as processing, immature plant, and storage areas, to be shared undermines the validity and integrity of nursery and processing license types. The proposed

regulations specify that the allowable shared areas must be contiguous as part of the premises and does not require clarification.

Comment: Regarding section 8106(a)(3)(c), because this is a new requirement, allow the continued use of any products that were listed in a cultivation plan approved of by the local jurisdiction and add a requirement for future contact with the AG Commissioner regarding legal pesticide use. If a farmer was given local authorization to cultivate after submitting a pesticide list, they should be allowed to continue with the use of those products. **[0025; 0029; 0030; 0038; 0061; 0087; 0091; 0097; 0117]**

Response: CDFA rejects this comment. The new requirement will be implemented when these regulations become effective. The requirement will not change the validity of previous pest management plans. The regulation will merely require licensees using pesticides to coordinate with the Agricultural Commissioner to ensure adequate compliance with pesticide laws and local requirements. Further, Agricultural Commissioners are the appropriate authority for pesticide use compliance, as local cannabis permitting staff may not have the appropriate authority and/or expertise to ensure pesticide regulations are adequately followed. This regulation is necessary to ensure adequate compliance with pesticide regulations.

Comment: Regarding section 8106(b)(2)(c), because this is a new requirement, allow the continued use of any products that were listed in a cultivation plan approved of by the local jurisdiction and add a requirement for future contact with the AG Commissioner regarding legal pesticide use. If a farmer was given local authorization to cultivate after submitting a pesticide list, they should be allowed to continue with the use of those products. **[0025; 0029; 0030; 0038; 0061; 0087; 0091; 0097; 0117]**

Response: CDFA rejects this comment. The new requirement will be implemented when these regulations become effective. The requirement will not change the validity of previous pest management plans. The regulation will merely require licensees using pesticides to coordinate with the Agricultural Commissioner to ensure adequate compliance with pesticide laws and local requirements. Further, Agricultural Commissioners are the appropriate authority

for pesticide compliance, as local cannabis permitting staff may not have the authority and/or appropriate expertise to ensure pesticide regulations are adequately followed. This regulation is necessary to ensure adequate compliance with pesticide regulations.

Section 8108. Cannabis Waste Management Plan.

Comment: Regarding section 8108, is cannabis waste considered to be unrecognizable and “destroyed” so it could be disposed? **[0022]**

Response: CDFA rejects this comment as irrelevant. The regulations do not require cannabis waste to be unrecognizable.

Comment: Regarding section 8108, is it true that no additional destruction of the green waste part of cannabis is necessary before disposal? **[0022]**

Response: CDFA rejects this comment as irrelevant to the changes made in the modified text.

Comment: Regarding section 8108(a), will the on-premises composting necessitate a composting permit? **[0022]**

Response: CDFA rejects this comment as irrelevant to the changes made in the modified text. Rules regarding how composting must occur fall under the authority of the Department of Resources Recycling and Recovery (CalRecycle), or the appropriate local agency.

Comment: Regarding section 8108(a), how does this work with SB 1383 which mandates a 75% diversion in organics in California landfills by 2025? **[0022]**

Response: CDFA rejects this comment as irrelevant to the changes made in the modified text. The Department worked closely with the Department of Resources Recycling and Recovery (CalRecycle) on waste related language, as it is the agency with jurisdiction over waste.

Comment: Regarding section 8108(a), has CDFA determined how it will estimate and respond to changing volumes of cannabis waste and reporting obligations? This is an important consideration, as we have instituted recycling, composting and diversion goals that were a precursor to this new waste stream. There could be a concentration in certain areas. **[0022]**

Response: CDFA rejects this comment as irrelevant to the changes made in the modified text. The Department of Resources Recycling and Recovery (CalRecycle) is the agency with jurisdiction over waste streams.

Comment: Regarding section 8108(c)(6), additional language seems inconsistent with the general direction of the regulation and could unintentionally nullify the goals of track-and-trace. The lack of specificity appears to provide a "free pass" to violate the waste management plan and track and trace provisions appear to be negated. **[0022]**

Response: CDFA rejects this comment. The modified language applies only to waste that is 90% inorganic. The Department does not believe waste with such a high percentage of inorganic material poses a diversion threat. Further, waste is documented in track-and-trace before disposal and licensees are still required to follow adequate track-and-trace regulations.

Comment: Regarding section 8108(c)(6), new language could trigger unanticipated new enforcement requirements and also potential chain of custody liability concerns by multiple parties. Requests recycling center language be stricken from the regulations. **[0022]**

Response: CDFA rejects this commenter's interpretation of the regulations. The Department does not believe the modified language permitting the recycling of mostly inorganic material will trigger liability concerns or enforcement requirements.

Comment: Regarding section 8108(c)(6), it does not permit the rock wool growing media and the dead roots to be recycled together. Propose adding "and ten (10) percent organic material"

to section 8108(c)(6)(A), adding “and organic” to section 8108(c)(6)(B) and striking section 8108(c)(6)(C). [0070]

Response: CDFA rejects the commenter’s interpretation of the regulation. The Department included this language to ensure that rock wool growing media could be recycled. The Department coordinated with the Department of Resources Recycling and Recovery (CalRecycle) to develop the language for this section and believes it necessary to allow the rock wool to be recycled.

Comment: Regarding section 8108(c)(6), the new language adds significant confusion. [0076; 0079]

Response: CDFA rejects the comment that this language is confusing. The regulation specifies approved recycling centers and waste requirements. The Department believes the language is clear and satisfactory to permit waste to be recycled.

Comment: Regarding section 8108(c)(6), it is unclear how the licensee can assure that the recycling center to which the cannabis waste is self-hauled will follow-through on recycling the inorganic materials into "new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace"; this requires the licensee to know in advance that the recycling centers process will not break down. [0076; 0079]

Response: CDFA rejects this comment. Recycling centers meeting the specified requirements will ensure waste is appropriately handled. The Department has determined that approved, permitted recycling centers have the competency to ensure waste is appropriately handled.

Comment: Regarding section 8108(c)(6), the discrepancy between (A) and (C) is unclear. The organic portion of the cannabis waste shall be sent to a facility or operation identified in subdivision (c), which is a circular reference because this section is part of subdivision (c), but

also division (A) allows 10-percent organic material in the content submitted to the recycling center. [0076; 0079]

Response: CDFA accommodated this comment by adding clarifying text in the final proposed regulations which states that the organic portion of the cannabis waste shall be sent to a facility or operation identified in subdivision (c)(1) *through* (5). The additional language clarifies which facilities or operations a recycling center can send the organic portion of the cannabis waste that has been separated from the mix of inorganic and organic material it received for processing. The intent of the change is to ensure that organic waste is handled at a facility that is authorized to receive and process the waste. The activities listed in subdivision (c)(1) through (5) are ones that are authorized to receive and process compostable (organic) materials. We believe this modification addresses the commenter's concern.

Comment: Regarding section 8108(c)(6), please clarify the language to address these concerns; recycling is an important and positive option but it is so far unclear how to do so in a compliant manner. [0076; 0079]

Response: CDFA rejects the comment that the language is unclear. The Department believes the language clearly specifies waste handling provisions for inorganic waste recycling and organic waste handling.

Comment: Regarding section 8108(c)(6)(B), what does this section reference when it talks about "inorganic portion of the cannabis waste?" [0076; 0079]

Response: The inorganic portion of the cannabis waste can include growing media such as rockwool, sand, or vermiculite that are not of plant or animal origin and will not biodegrade. No further clarification to the proposed regulations is necessary.

Comment: Regarding section 8108(d), appreciate and welcome the addition of this option. [0076; 0079]

Response: CDFA acknowledges this comment. The comment does not make a suggestion, so no response is required.

Comment: Regarding section 8108(d), it is irresponsible to authorize a substantially higher THC-potency product for feed to any animal, let alone livestock which could be produced for human consumption. Comment encourages the Department to consult with the appropriate state agencies responsible for animal health before unilaterally allowing such an activity.

[0020]

Response: CDFA accepts this comment. To accommodate the comment, the Department is striking the provision which allowed cannabis waste to be fed to non-commercial livestock. Although, there is no evidence that the cannabis waste would have a high THC potency and that the THC would be activated upon consumption without the necessary chemical processes that manufacturers use to render the THC active.

Comment: Regarding section 8108(d), though the regulations authorize cannabis waste as feed for “non-commercial” livestock, the regulations fail to define what constitutes “non-commercial.” This provision suffers from a lack of clarity and it would be irresponsible for the state to endorse these producers to potentially offer cannabis-waste agricultural products to any person, let alone vulnerable populations. **[0020]**

Response: CDFA accepts this comment. To accommodate the comment, the Department is striking the provision which allowed cannabis waste to be fed to non-commercial livestock.

Comment: Regarding section 8108(d), request the language allowing cannabis for non-commercial livestock feed be stricken. **[0020]**

Response: CDFA accepts this comment. To accommodate the comment, the Department is striking the provision which allowed cannabis waste to be fed to non-commercial livestock.

Comment: Regarding section 8108(d), recommend that the Department withdraw its proposal to approve feeding of cannabis to animals as a method of cannabis waste management.

[0088]

Response: CDFA accepts this comment. To accommodate the comment, the Department is striking the provision which allowed cannabis waste to be fed to non-commercial livestock.

Section 8109. Applicant Track-and-Trace Training Requirement.

Comment: Regarding section 8109(a), allowing only an owner to be account manager of track and trace severely disadvantages small rural operators. Many small rural farmers contract with office personal who may work for multiple farmers inputting track and trace information. Many small rural farmers are not computer literate and should not be required to make someone an owner to get affordable help with trace and trace. If the concern is accountability, make the applicant/licensee attest to full responsibility of the applicant/licensee for any act or omission of the account manager. **[0025; 0029; 0030; 0038; 0061; 0087]**

Response: CDFA rejects the commenter's interpretation of the regulation. This section does not prohibit an owner or even a sole proprietor from delegating track and track activities to office personnel. It requires an owner to assume responsibility as mentioned in the comment and take the specified training. Small rural farmers are still able to designate external personal to manage track-and-trace responsibilities to designated users.

Comment: Regarding section 8109(a), there are not enough hours in a day for an owner to oversee the farm, the sales and a huge amount of daily data input. **[0036]**

Response: CDFA rejects the commenter's interpretation of the regulation. This section does not prohibit an owner or even a sole proprietor from delegating track and track activities to office personnel. It requires an owner to assume responsibility as an account manager and take the specified training. Small rural farmers are still able to designate external personal to manage track-and-trace responsibilities to designated users.

Comment: Regarding section 8109(a), please make the applicant responsible for “act of omission” rather than the account manager. [0040]

Response: CDFA rejects the commenter’s interpretation of the regulation. An applicant owner is required to complete the specified training and will be responsible as both owner and account manager.

Comment: Regarding section 8109(a), this would create an issue of owners having to take positions that should not be required. As such, this should be the definition of a manager and not an owner. [0057; 0058; 0060; 0066]

Response: CDFA rejects the commenter’s interpretation of the regulation. This section does not require owners to inappropriately take positions. It requires an owner to assume responsibility as account manager and take the specified training. Once the training is completed the owner/account manager may delegate user responsibilities to persons deemed appropriate (such as managers) to assume such responsibilities under his or her oversight.

Comment: Regarding section 8109(a), retain the allowance for “responsible party” to fulfill these and other track-and-trace requirements. [0106]

Response: CDFA rejects this comment. Requiring an owner to assume responsibility for track-and-trace training will ensure the owner is familiar with reporting requirements and capable of designating appropriate users to the system to ensure responsible and informed tracking of cannabis.

ARTICLE 3. CULTIVATION LICENSE FEES AND REQUIREMENTS

Section 8212. Packaging and Labeling of Cannabis and Nonmanufactured Cannabis Products

Comment: Regarding section 8212(a)(4), recommend the changes be stricken and that CDFA adopt the original language as proposed in July. Commenter stands behind child resistant packaging being met by exit bags at the retail level. [0068]

Response: CDFA rejects this comment. The Department developed this language in coordination with the Bureau of Cannabis Control and the Department of Public Health to ensure that cannabis being packaged for retail sale protects public safety and prevents potential access to children.

Comment: Regarding section 8212(a)(4), requests that CDFA strike the changes and allow the child-resistant packaging requirement to be met by exit bags provided by a retailer. [0090]

Response: CDFA rejects this comment. The Department developed this language in coordination with the Bureau of Cannabis Control and the Department of Public Health to ensure that cannabis being packaged for retail sale protects public safety and prevents potential access to children.

Comment: Regarding section 8212(a)(4), appreciate the added language. However, it is confusing why there is now a full year of forbearance from the requirements of protecting children when all commercial cannabis operators are already complying with these requirements. Recommend reducing the forbearance period to 6 months and allow licensees already with child-resistance packaging to not have to have redundant child-resistant exit packaging. [0121]

Response: CDFA rejects this comment. The Department developed this language in coordination with the Bureau of Cannabis Control and the Department of Public Health to ensure that cannabis being packaged for retail sale protects public safety and prevents potential access to children. The forbearance period was determined as reasonable and necessary to allow adequate time for the industry to adjust to the modified language.

Comment: Regarding section 8212(a)(4), strongly believe that those already complying should be allowed to comply and not have a new exit bag requirement for their early compliance. The forbearance on complying should be limited to 6 months and be implemented

in a way that it does not encourage those already complying to go backwards to a lesser standard until January 1, 2020. **[0121]**

Response: CDFA rejects this comment. The Department does not believe licensees will drastically alter their packaging methods to get around the new rules or revert back to lesser standards. The forbearance period was determined as reasonable and necessary to allow adequate time for the industry to adjust to the modified language.

ARTICLE 4. CULTIVATION SITE REQUIREMENTS

Section 8308. Cannabis Waste Management.

Comment: Regarding section 8308(g)(2), how will you validate the data weight entered into track-and-trace if a waste hauler is not required to share a disposal ticket to confirm disposal? Not validating waste through a scale ticket exposes a huge diversion opportunity. **[0001]**

Response: CDFA rejects this comment. Upon further review, the Department determined that the data weight ticket from a hauler would not represent the cannabis waste delivered to a landfill because it gets mixed with other waste. The Department determined that a valid waste hauler, hauling to its contracted location, would be sufficient to determine diversion does not occur. All licensees are still required to adequately track their waste pursuant to other sections of the regulations.

Comment: Regarding section 8308(g)(2), Not requiring a waste ticket is a big mistake and provides an opportunity for diversion to the black market. **[0002]**

Response: CDFA rejects this comment. Upon further review, the Department determined that the data weight ticket from a hauler would not represent the cannabis waste delivered to a landfill because it gets mixed with other waste. The Department determined that a valid waste hauler, hauling to its contracted location, would be sufficient to determine diversion does not occur. All licensees are still required to adequately track their waste pursuant to other sections of the regulations.

Comment: Regarding section 8308(g)(2) and the new cannabis waste regulations, the proposed changes are inconsistent with new proposed BCC regulations. [0001]

Response: CDFA agrees with this comment because CDFA and the Bureau of Cannabis Control oversee different portions of the commercial cannabis industry. As such, each agency has different regulations to address specific licensing needs. No changes to CDFA's proposed regulations are necessary.

Comment: Regarding section 8308(g)(2), if a municipality has an exclusive agreement with a publicly traded trash hauler how can you issue a license? The publicly traded company can't touch the material. [0001]

Response: CDFA rejects this comment. Agreements, permits, and authorizations between local municipalities and haulers are not within the scope of these regulations.

Comment: Regarding section 8308(g)(2), does this deletion mean that waste haulers no longer need to date, time stamp and provide certified weight tickets for each organic cannabis waste (green waste disposal)? [0022]

Response: The comment is correct. Upon further review, the Department determined that the data weight ticket from a hauler would not represent the cannabis waste delivered to a landfill because it gets mixed with other waste. The Department determined that a valid waste hauler, hauling to its contracted location, would be sufficient to determine diversion does not occur. All licensees are still required to adequately track their waste pursuant to other sections of the regulations.

Comment: Regarding section 8308(g)(2), revise to:

“Obtain and retain a copy of a receipt from the local agency, waste hauler franchised or contracted by the local ~~agency~~ jurisdiction in which the licensee is located, or private

waste hauler permitted by the local ~~agency~~ jurisdiction in which the licensee is located, evidencing subscription to a waste collection service.”

This would clarify that local approval means from the local agency within the city or county in which the licensee is located. Otherwise, haulers and licensees may believe that local approval from one jurisdiction is an approval for the collection of cannabis waste anywhere in the state. Haulers cannot use a local approval from one city/county to collect cannabis waste from a different city/county because the local approval must be from the city or county in which the licensee is located in. **[0063]**

Response: CDFA rejects this comment. The intent of the section is to ensure local waste hauler requirements are adequately addressed. The Department believes contracted waste haulers are competent and informed on the provisions of their local waste hauling approvals and does not believe this language grants them the authority to bypass the terms of their hauling permits. The Department will continue to coordinate with local agencies and the Department of Resources Recycling and Recovery (CalRecycle) to ensure the regulation is implemented as intended.

Comment: Regarding section 8308(g)(2), revise to state that the local agency should be from the city or county where the licensee is located and make it consistent. **[0063]**

Response: CDFA rejects this comment. The intent of the section is to ensure local waste hauler requirements are adequately addressed. The Department believes contracted waste haulers are competent and informed on the provisions of their local waste hauling approvals and does not believe this language grants them the authority to bypass the terms of their hauling permits. The Department will continue to coordinate with local agencies and the Department of Resources Recycling and Recovery (CalRecycle) to ensure the regulation is implemented as intended.

Comment: Remove the language in section 8308(g)(3). Requiring the collection of a certified weight ticket will be burdensome on the licensee and on the waste collector and may result in difficulty finding waste haulers that are willing to accept cannabis waste. [0064]

Response: CDFA rejects this comment as irrelevant to the modified changes because the language directly referenced in the comment was stricken in the modified text released on October 19, 2018.

ARTICLE 5. RECORDS AND REPORTING

Section 8400. Record Retention.

Comment: Section 8400 requires that a wide variety of records be kept at the licensed premises, and kept in a manner that protects them from debris, etc. For licensees operating on a small amount of land in a remote area this may be impossible. At many sites, there would be no structure on the land available for storage. Internet connectivity which would allow everything to be stored in a cloud would not be available. Allow the suspension of this rule if the licensee is located in an isolated area. [0027]

Response: CDFA disagrees with the comment. CDFA's regulations are not the basis for the requirement that records be kept on the licensed premises. This requirement was established in Business and Professions Code section 26160, subdivision (d). CDFA's regulations merely implement this statute. Additionally, with respect to the other requirements to keep the record in good condition, the Department determined these were reasonable requirements to ensure records are preserved.

Comment: We appreciate that records can be stored electronically, it seems reasonable to allow that storage to be off-site so long as access to it can be easily obtained upon request within a relatively short period of time. This is due to insufficient internet access at a lot of locations. It is the capacity to hold a licensee accountable during a site visit – not the precise physical location of the records – that is CDFA's concern. [0025; 0029; 0030; 0038; 0047; 0051; 0061; 0067; 0074; 0087; 0091; 0097]

Response: CDFA disagrees with the comment. CDFA's regulations are not the basis for the requirement that records be kept on the licensed premises. This requirement was established in Business and Professions Code section 26160, subdivision (d). CDFA's regulations merely implement this statute.

Comment: Regarding section 8400(b), change the word premises to "property." It is inefficient for farmers and inspectors to have to visit separate locations for records review and/or maintenance when there are multiple-licenses by the same licensee on the premises. The requirement should allow records to be kept on the property of the license, but not restrict it to remain with the premises of the individual license. **[0112]**

Response: CDFA disagrees with the comment. CDFA's regulations are not the basis for the requirement that records be kept on the licensed premises. This requirement was established in Business and Professions Code section 26160, subdivision (d). CDFA's regulations merely implement this statute.

Section 8402. Track-and-Trace System

Comment: Regarding section 8402, forcing licensees to figure deadlines using calendar days instead of business days may have some unintended consequences. The inability of Metrc to handle peak loads may mean the system goes down. In a worst-case scenario, business operators would spend a fortune paying the track and trace team to work through a holiday if the calendar days allotted to load data after connectivity fails falls over a holiday period. **[0027, 0080]**

Response: CDFA disagrees with the comment. It is well known that occasional failure of digital systems may occur across virtually every industry. Therefore, CDFA incorporated provisions for system failure into its regulations. CDFA changed "business days" to "calendar days" throughout the regulations for consistency with the CDFA regulation document as a whole and with the Bureau of Cannabis Control and the Department of Public Health's regulations; notably with regards to the California Track-and-Trace system which is shared by all three licensing authorities.

Comment: If the businesses' track-and-trace team has already left town for the holidays, it may be impossible to call them back, causing the company to fall out of compliance for failure to load data in the required time frame. **[0027]**

Response: CDFA disagrees with the comment. The licensee is responsible for compliance with the regulations including the California Track-and-Trace entry requirements. It is unreasonable and would defeat the purpose of the regulations if exceptions were made for each instance where the licensee was unable to comply. No changes to the regulations are necessary.

Comment: Retain the language for "business" vs "calendar" days throughout the track-and-trace requirements. **[0106; 0120]**

Response: CDFA disagrees with the comment. It is well known that occasional failure of digital systems may occur across virtually every industry. Therefore, CDFA incorporated provisions for system failure into its regulations. CDFA changed "business days" to "calendar days" throughout the regulations for consistency with the CDFA regulation document as a whole and with the Bureau of Cannabis Control and the Department of Public Health's regulations; notably with regards to the California Track-and-Trace system which is shared by all three licensing authorities.

Comment: Regarding section 8402(c), commenter/licensee has been using a contractor to run the cannabis farm since 2012. This contractor has been responsible for the Humboldt County track-and-trace system activity and will have the same responsibilities for the State track-and-trace system. To change the rules after licensee has applied as a sole owner is extremely unfair. Licensee doesn't mind being the responsible party, just as long as the farm manager will be allowed to operate the State track-and-trace system. **[0003]**

Response: CDFA disagrees with the comment. Though section 8402, subdivision (c) does require an owner to be the account manager it also defines the responsibilities of an account

manager; including a provision in section 8402, subdivision (c)(2) which provides authority for the account manager to designate other system users. Once credentialed to use the system, designated account managers can delegate their system access rights and permissions to other licensee system users, they just cannot delegate their accountability for complying with the provisions in 8402(c)(1-6). The decision to require an owner to be the designated account manager, ensures that ownership is ultimately accountable for the licensee's compliance in this critical area.

Comment: Regarding section 8402(c), a designated responsible party, or a designated agent should be reinstated to this section. This section reads that only the owner may act as the track-and-trace system account manager. [0021; 0080; 0081; 0093; 0102; 0103; 0106; 0120]

Response: CDFA disagrees with the comment. Though section 8402, subdivision (c) does require an owner to be the account manager it also defines the responsibilities of an account manager; including a provision in section 8402, subdivision (c)(2) which provides authority for the account manager to designate other system users. Once credentialed to use the system, designated account managers may delegate their system access rights and permissions to other licensee system users, although they may not delegate their accountability for complying with the provisions in sections 8402, subdivision (c)(1-6). The decision to require an owner to be the designated account manager ensures that ownership is ultimately accountable for the licensee's compliance in this critical area.

Comment: I am currently not allowed to hire someone other than myself (the owner) to help me manage my Track and Trace. We have management level personnel who manage all of the activities of our operations under the direction and control of the owners that do not return day-to-day control of those activities to an owner. There are not enough hours in the day for me to oversee the farm, the sales, and a huge amount of daily data input. It is not practical for owners to act as the account managers; owners hire directors and other responsible parties to act on their behalf. Please review the intention behind designating "owner" as the only valid account managers and also in the event that that designation remains, review the definition of

“owner” for consistency with the Bureau. We fail to understand the rationale of this change.

[0036; 0076; 0079; 0082; 0093; 0102; 0103; 0120]

Response: CDFA disagrees with the comment. Though section 8402, subdivision (c) does require an owner to be the account manager it also defines the responsibilities of an account manager; including a provision in section 8402, subdivision (c)(2) which provides authority for the account manager to designate other system users. Once credentialed to use the system, designated account managers may delegate their system access rights and permissions to other licensee system users, although they may not delegate their accountability for complying with the provisions in section 8402, subdivision (c)(1-6). The decision to require an owner to be the designated account manager, ensures that ownership is ultimately accountable for the licensee’s compliance in this critical area.

Comment: Regarding section 8402(c), this language may necessitate ownership restructuring, which adds a layer of complexity and potentially cost. Restricting the ability to fulfill notification requirements to only the owner. In a strict adherence to these requirements, owners would not be allowed to take vacations. **[0080]**

Response: CDFA disagrees with the comment. Though section 8402, subdivision (c) does require an owner to be the account manager it also defines the responsibilities of an account manager; including a provision in section 8402, subdivision (c)(2) which provides authority for the account manager to designate other system users. Once credentialed to use the system, designated account managers may delegate their system access rights and permissions to other licensee system users, although they may not delegate their accountability for complying with the provisions in section 8402, subdivision (c)(1-6). The decision to require an owner to be the designated account manager, ensures that ownership is ultimately accountable for the licensee’s compliance in this critical area.

Comment: It does not make sense to have an owner be the account manager if they are not able to conduct the inputting. Often there is not sufficient Internet access on site. **[0087; 0091; 0097]**

Response: CDFA disagrees with the comment. Though section 8402, subdivision (c) does require an owner to be the account manager it also defines the responsibilities of an account manager; including a provision in section 8402, subdivision (c)(2) which provides authority for the account manager to designate other system users. Once credentialed to use the system, designated account managers may delegate their system access rights and permissions to other licensee system users, although they may not delegate their accountability for complying with the provisions in section 8402, subdivision (c)(1-6). The decision to require an owner to be the designated account manager, ensures that ownership is ultimately accountable for the licensee's compliance in this critical area.

Comment: Regarding section 8402(c)(4), appreciate removal of language requiring immediate removal of an unauthorized California Cannabis Track-and-Trace system user and its replacement with three (3) calendar days. **[0076; 0079]**

Response: CDFA acknowledges the comment, and thanks the commenter for its support of section 8402.

Comment: Regarding section 8402(c)(4) and (5), while the Department has created provisions in the regulations regarding instances of fires and earthquakes, the more mundane disruptions a small business traditionally enjoys have gone unaddressed. Cases such as intentional disabling of a computer, or computer hacking could potentially take many days to remedy. Allow case-by-case consideration when circumstances beyond the owner's control temporarily push the business out of compliance. **[0027]**

Response: CDFA disagrees with this comment. It is well known that occasional failure of digital systems may occur across virtually every industry and for a variety of reasons. Therefore, CDFA incorporated provisions for system failure or a licensee's loss of access to track-and-trace into its regulations, for any reason. Cultivators will have to manually track activities during any loss of access and have three (3) calendar days to enter activities into the system after access has been restored, per section 8402, subdivision (e). Additionally, section

8402, subdivision (c)(6) requires the licensee to contact CDFA upon loss of access that exceeds three (3) calendar days.

Comment: Regarding section 8402(e)(1), the revised language that a licensee has three calendar days to enter all inventory tracking activities into the CCTT system after a temporary system loss is too short. The time should be scalable and related to the length of time that there was a loss of access. [0076; 0079]

Response: CDFA disagrees with the comment. This comment is not directed at the modification of text to the regulations as published on October 19, 2018 in the Notice of Modification to Text of Proposed Regulations. CDFA changed “business days” to “calendar days.” CDFA did not change the number of days provided for licensees to record inventory tracking activities for each loss of access to the system.

Comment: Regarding section 8402(e)(1), three days to complete data entry is reasonable if the system is down for a short period of time. If there is a catastrophic event and access is lost for days or weeks, this may not be reasonable. If the system down for less than 5 days, three days is reasonable. If the system is down for a period greater than 5 days, an additional day should be granted for each additional day the system was down. [0086]

Response: CDFA disagrees with the comment. This comment is not directed at the modification of text to the regulations as published on October 19, 2018 in the Notice of Modification to Text of Proposed Regulations. CDFA changed “business days” to “calendar days.” CDFA did not change the number of days provided for licensees to record inventory tracking activities for each loss of access to the system.

Section 8405. Track-and-Trace System Reporting Requirements

Comment: If a waste hauler is not required to share a disposal ticket to confirm disposal how will you validate the data weight entered into Track and Trace? [0001; 0002]

Response: Per section 8213, subdivision (a), weighing devices used by licensed cultivators shall be approved, registered, tested, and sealed per Chapter 5 (commencing with section 12500) of division 5 of the Business and Professions Code and registered with the county sealer consistent with chapter 2 (commencing with section 12240) of division 5 of the Business and Professions Code. Section 8213, subdivision (a)(3) requires compliance with section 8213, subdivision (a) when cannabis or nonmanufactured cannabis products are weighed or counted for entry into the track-and-trace system. Section 8213, subdivision (e) requires a licensee to be a licensed weighmaster when weighing or measuring cannabis or nonmanufactured cannabis product in accordance with section 8213, subdivision (a). Weighmasters are required to issue a Weighmaster Certificate whenever payment for the commodity or any charge for service or processing of the commodity is dependent upon the quantity determined by the weighmaster in accordance with section 12711 of the Business and Professions Code. Based on these requirements, CDFA determined that weights are adequately validated prior to entry into the California Track-and-Trace system. The California Track-and-Trace system does not track waste after the waste weight has been entered into the system. After the waste weight has been entered into the California Track-and-Trace system, waste disposal follows the licensee's waste management plan under section 8108.

Comment: The new provision added as section 8108(c)(6) seems inconsistent with the general direction of the regulation and could unintentionally nullify the goals of track and trace. This new language could trigger unanticipated new enforcement requirements and also potential "chain of custody" liability concerns by multiple parties. We believe recycling centers should be stricken from the regulations. **[0022]**

Response: CDFA disagrees with this comment. There is no requirement to record in the California Track-and-Trace system how cannabis waste is managed after the final cannabis waste weight for a given harvest batch has been entered into the system. Therefore, the new option provided in section 8108, subdivision (c)(6) for self-hauling cannabis waste to a recycling center has no bearing on the California Track-and-Trace system.

Comment: Citing section 8405(c), CDFA's change from business days to calendar days, for this and other track-and-trace requirements, is an unnecessary and confusing change, and should be reversed. This change would be inconsistent with many BCC and DPH regulations. **[0052; 0076; 0079]**

Response: CDFA disagrees with the comment. CDFA changed "business days" to "calendar days" throughout the regulations for consistency with the CDFA regulation document as a whole for compliance and enforcement purposes with regards to the California Track-and-Trace system which is shared by all three licensing authorities.

Section 8406. Track-and-Trace System Inventory Requirements

Comment: Regarding section 8406(a), appreciate the change from mandatory inventory reconciliation every 14 business days to every 30 calendar days. **[0076; 0079]**

Response: CDFA acknowledges the comment, thanks the commenter for its support of section 8406.

ARTICLE 7. ENFORCEMENT

Section 8601. Administrative Actions - Table A

Comment: Table A's listing of a fine associated with section 8106(a)(1)(A) specifies that fines will only be assessed if there are flowering plants extending beyond these boundaries: this is more specific than the language in section 8106(a)(1)(A) itself and is consistent with the language in section 8300(a). **[0076; 0079]**

Response: CDFA partially agrees with this comment but ended up striking the modified language from section 8106(a)(1)(A) and corresponding violation in Table A, rendering this comment moot.

Comment: Remove the violation associated with section 8106(a)(1)(A), as the incidental expansion of plants should not be considered a violation as long as the main plant itself is within the "identifiable boundary." **[0112]**

Response: CDFA accepts the comment and struck the modified language from section 8106, subdivision (a)(1)(A) and the corresponding violation in Table A.

Comment: Remove the violation associated with section 8106(a)(1)(B) and allow a shared immature plant area among single licensees with multiple licenses. **[0112]**

Response: CDFA disagrees with this comment. The violations included in Table A of section 8601 simply restate regulatory sections and requirements found elsewhere in the proposed regulations. The violation was added to Table A because language was revised in section 8106, subdivision (a)(1)(B) clarifying cultivation plan requirements. CDFA clarified the requirements to provide direction and transparency to the applicant and to protect the licensee from potential enforcement actions.

Comment: Remove the violation associated with §8106(a)(1)(D) and allow a shared processing area among single licensees with multiple licenses. **[0112]**

Response: CDFA disagrees with this comment. The violations included in Table A of section 8601 simply restate regulatory sections and requirements found elsewhere in the proposed regulations. The violation was added to Table A because language was revised in section 8106, subdivision (a)(1)(D) clarifying cultivation plan requirements. CDFA clarified the requirements to provide direction and transparency to the applicant and to protect the licensee from potential enforcement actions.

Comment: Remove the violation associated with section 8106(a)(1)(E) and allow a shared packaging area among single licensees with multiple licenses. **[0112]**

Response: CDFA disagrees with this comment. The violations included in Table A of section 8601 simply restate regulatory sections and requirements found elsewhere in the proposed regulations. The violation was added to Table A because language was revised in section 8106, subdivision (a)(1)(E) clarifying cultivation plan requirements. CDFA clarified the

requirements to provide direction and transparency to the applicant and to protect the licensee from potential enforcement actions.

Comment: The addition of new sections in 8108 and 8308 appear to duplicate fines for some specific issues. **[0076; 0079]**

Response: CDFA disagrees with the comment. Section 8108 lists disposal options only, whereas section 8308 lists additional and detailed provisions, violations of which are specified in Table A.

Section 8602. Notice of Violation

Comment: The definition for “Serious” violations in section 8602(a)(1) begins by stating these are “a Moderate class violation” which appears to be a contradiction in the definition. **[0076; 0079]**

Response: CDFA disagrees with this comment. The definition for a “Serious” violation in this section specifies the violation is a repeat of a Moderate class violation that occurred within a two-year period and that resulted in an administrative civil penalty, or a willful Moderate class violation as defined in the proposed regulations.

C. Responses to General, Miscellaneous, and Irrelevant Comments Received During the 15-Day Comment Period

Commenter No.	Comment	Response
0001	Regarding section 8308(g)(2) and the new cannabis waste regulations: The proposed changes create new opportunities for specialized businesses. The legislation shouldn’t be changed because the Waste Managements of the world won’t conform to a new industry with unique workflows and regulation.	See Standard Response 1.
0003	It seems you are regulating for big business, which I do think is necessary. However, you are creating a	Standard Response 6:

	situation that is eliminating the small family farm that has been trying to do everything right and be in compliance with all agencies.	Pursuant to Government Code section 11346.8, subdivision (c), the Department need not respond to a comment submitted during the public re-notice period if it does not specifically relate to the changes to the regulation text announced during the re-notice period.
0004	The new regulation banning white labeling will hurt the industry.	See Standard Response 2.
0005	The final language should clarify compliance time. The 30-day response time should be detailed more. Also, the software for the application on CalCannabis needs to be adjusted so that an applicant doesn't have to start the entire process over again if something needs to be corrected.	See Standard Response 6.
0006	Letter suggests changes to the Bureau of Cannabis Control's proposed regulation section 5004 and suggests new regulations related to testing.	See Standard Response 2.
0007	Please reconsider the legislation restricting non-licensees from engaging in licensing packaging, branding, and marketing of cannabis products. Why should we treat the cannabis category differently to so many others, and to the detriment of so many people?	See Standard Response 2.
0009	Even though it is not part of the regulations, please do not continue publishing addresses of cannabis businesses. I would especially ask this for cultivation. Addresses being so available to anyone is a risk to me and my family's safety and well-being. There have been home invasions robberies in my county and I can't help but think that some of these could have been avoided by not having our addresses published.	See Standard Response 6.
0010	Regarding the geographical indicator program that CDFA is currently developing pursuant to SB 94. It is important to distinguish between the "place of origin" indicating the region a product was produced as opposed to appellation or origin that indicates much more about the production, practices, terroir, and region of where the product has been produced. Makes other recommendations for appellations designations.	See Standard Response 6.
0011	Letter addressed to the Bureau of Cannabis Control only addresses the modified text of the Bureau's regulations.	See Standard Response 2.
0012	Letter includes recommendation for creating an appellation designation.	See Standard Response 6.

0013	CDFA has done a nice job on charging license fees based on the size of the cultivation facility. Can you do the same for nurseries and processors? A fee based on gross income (like done for a microbusiness or distributor) would be really great.	See Standard Response 6.
0014	The processing license is limited to one size fits all. The \$9,370 fee is very large for a small cultivator and should be scaled.	See Standard Response 6.
0015	Request the regulations use the same definitions for terms that are used in both the proposed BCC/CDFA regulations and define “immature plants” as plants that exhibit no signs of flowering. (Section 8000(m)).	See Standard Response 6.
0016	Cites section 8102(dd); the proposed amendments are problematic. An agency could retroactively decide a watershed is impacted. If approval has been achieved, SWRCB and CDFW should not be able to turn the tables on the applicant.	See Standard Response 6. Further, section 8102, subdivision (dd) was not amended during the re-noticed comment period. It was merely re-lettered.
0017	P.S. I've brought up my concerns with Director Richard Parrott, Secretary Ross, the Governor's Office, and the Chair of the State Water Resources Control Board.	See Standard Response 6.
0018	Letter to CDFA and BCC states that there is a large financial burden for small cultivation businesses by defining global testing requirements on each strain/cultivar. Provides testing suggestions.	See Standard Response 2.
0019	Letter directed to the Bureau of Cannabis Control cites concern over access to events.	See Standard Response 2.
0023	Letter includes pictures of work completed, inspected, and approved by CDFW and SWRCB.	See Standard Response 6.
0024	Pages 12-16 provide labor recommendations to CDFA. Letter directed to all three cannabis licensing agencies addresses regulations promulgated by the Bureau of Cannabis Control on pages 1-5.	See Standard Response 6. See Standard Response 2.
0025, 0029, 0030, 0038, 0087, 0104, 0117	Regarding section 8200(c), (g), and (k), create a tier for single-cycle (no lights but use of light deprivation) mixed light license/fees.	See Standard Response 6.
0025, 0028, 0029, 0030, 0038, 0040, 0045, 0048, 0055, 0057, 0065, 0087, 0116, 0117, 0119	Regarding section 8102(f), hours present must be expanded and requirements modified for seasonal operations.	See Standard Response 6.

0025, 0028, 0029, 0030, 0038, 0040, 0087, 0104, 0111, 0117	Regarding section 8200(r), lower fees for processing license for self-processing up to 2500 lbs. and for others processing up to \$750,000 gross.	See Standard Response 6.
0025, 0029, 0030, 0038	Please review all of your proposed changes with the following in mind: Small, rural farmers, many of whom are legacy farmers, are being wiped out by the excessive requirements for additional infrastructure, high fees, and competition by large operators who were not required to be capped at one-acre for the first five years as promised. Anything that can be done to carve out reasonable exceptions for these endangered craft farmers would be greatly appreciated by them and by the communities they economically contribute to.	See Standard Response 6.
0027	<p>Use business days rather than calendar days to figure deadlines. This will allow businesses to honor union commitments, promotes a sane and healthy workplace and will allow employees to enjoy weekends and holidays.</p> <p>The bureau would be unable to help with applicants/licensees working under deadlines during holidays if the change to calendar days from business days goes through.</p> <p>Using calendar days rather than business days is problematic for union houses, as unions specify days off for specific holidays during collective bargaining.</p>	<p>CDFA rejects this comment. The Department changed business days to calendar days in some sections of the modified text for consistency and clarity. The Department believes licensees still have adequate time to meet specified requirements and honor union commitments.</p> <p>CDFA rejects this comment. The Department changed business days to calendar days in some sections of the modified text for consistency and clarity. The Department will be available to assist applicants/licensees during normal business hours and maintains applicants/licensees will still have adequate time to meet specified requirements.</p> <p>CDFA rejects this comment. The Department changed business days to calendar days in some sections of the modified text for consistency and clarity. The Department believes licensees still have adequate time to meet specified requirements and honor union commitments.</p>

	Salary costs will skyrocket using calendar days for deadlines as paying a skeleton crew 365 days a year so that staff is always available to meet unexpected deadlines will require paying workers at least time and a half, if not double time.	CDFA rejects this comment. The Department changed business days to calendar days for consistency and clarity. The Department believes licensees still have adequate time to meet specified requirements without hiring a skeleton crew to be available 365 days a year. Deadlines will not be unexpected and are reasonable to allow adequate time for applicants/licensees to meet the requirements. The Department supports fair and reasonable timelines for applicants and the Department needs and maintains that the specified time periods are reasonable with calendar day deadlines.
0031	After reviewing the proposed changes to cannabis regulations from both CalCannabis and the Bureau of Cannabis Control for the Distribution-Transport-only license we've applied for, we want to know whether CalCannabis interprets the BCC provisions also apply to CDFA licensees? If so, we strongly oppose BCC regulation section 5026 and request an exemption on the prohibition on utilization of shipping containers for those seeking licensed premises.	See Standard Responses 2 & 6.
0032	Letter directed to the Bureau of Cannabis Control cites regulations promulgated by the Bureau and provides recommendations.	See Standard Response 2.
0033	Comments addresses concerns with the California Department of Fish and Wildlife regulations which require the resizing of culverts and requests changes. Attaches supporting letter sent to Assemblymember Jim Wood on the matter which contains requested legislative changes.	See Standard Response 6. Further, CDFA does not have authority over regulations promulgated by the California Department of Fish and Wildlife or the ability to make legislative changes.
0037, 0041, 0061	Institute the 1-acre cap	See Standard Responses 1 & 6.
0037, 0061	Remove the 4-acre cap on Cooperative Associations.	See Standard Response 6.
0037	Modify the definition of "premises," "harvest batch," and "specialty outdoor cottage" via legislation and make a legislative correction for single-cycle light deprivation without lights as outdoor instead of mixed light. Also update state building codes.	See Standard Responses 1 & 6.

	<p>SWRCB and CDFW must do a better job of taking into account the small rural operator.</p> <p>Modify the cultivation tax.</p> <p>Create incentives for good behavior.</p> <p>Transportation licenses for cultivators and nurseries must not require the same onerous requirements as for distributors.</p> <p>Composite testing must be allowed.</p> <p>Mix and Match cultivation styles under one license should be created for small farmers.</p> <p>Allow shared facilities licenses for small farmers, similar to the shared manufacturing license.</p> <p>Allow off-site facilities for Microbusinesses with gross revenue caps.</p> <p>Allow direct sales by small cultivators.</p>	<p>See Standard Responses 1 & 6.</p> <p>See Standard Responses 1 & 6.</p> <p>See Standard Response 6.</p> <p>See Standard Response 6.</p> <p>See Standard Responses 2 & 6.</p> <p>See Standard Response 6.</p> <p>See Standard Response 6.</p> <p>See Standard Responses 2 & 6.</p> <p>See Standard Responses 2 & 6.</p>
0039	<p>Letter states that the regulations are geared toward large, mostly indoor, growers. CDFA must establish regulations that protect small farmers and recognize there is reason to maintain California's cannabis reputation.</p> <p>Recommends that:</p> <p>Cultivation licensees 10,000 sq ft and smaller be taxed at a lower price per pound than large cultivators;</p> <p>Small growers be exempt from ADA requirements;</p> <p>Cultivators be allowed to self-distribute;</p> <p>There is not sufficient enforcement to stop black market activity.</p>	<p>See Standard Responses 1 & 6.</p> <p>See Standard Responses 1 & 6.</p> <p>See Standard Responses 1 & 6.</p> <p>See Standard Response 6.</p> <p>See Standard Responses 1 & 6.</p>
0042	Letter cites regulations promulgated by the Bureau of Cannabis Control and makes recommendations.	See Standard Response 2.
0043	Request the ability to sell directly to the consumer and the Bureau of Cannabis Control support small growers.	See Standard Responses 2 & 6.

0044	Artificial light is mixed light. Light deprivation should not constitute mixed light or a higher permit cost. The sun is not yours to charge for. Stop hurting outdoor growers.	See Standard Response 6.
0049	Amend section 8200 to assess annual fees at the lower “outdoor” fee tier for cultivators who use light deprivation, but no artificial light, and only complete one harvest per year.	See Standard Response 6.
0050	Amend section 8200 to create licensing tiers for nurseries and processors, including “self-processing” or “micro-processing” tiers for small farms processing their own product.	See Standard Response 6.
0051	Please do not make this more difficult by tying families to the farm on set days. Inspections should take place during normal business hours with notice so that farmers can receive them properly.	See Standard Response 6.
0052	<p>Modify language in section 8204(b) by adding a requirement of ten calendar day notification to CDFA in the event of a change in ownership.</p> <p>Recommend removal of section 8211 from the regulations.</p> <p>Change section 8308(d) from “the” licensee/licensed to “a” licensee/licensed.</p> <p>In section 8400, change seven (7) years to four (4) years for recordkeeping requirements.</p> <p>In section 8400(d)(6), add that licensees may designate a portion of their application as a confidential corporate financial record exempt from California’s Public Records Act.</p> <p>Suggests language for section 8601(c).</p>	<p>See Standard Response 6.</p> <p>See Standard Response 6.</p> <p>See Standard Response 6.</p> <p>See Standard Response 6.</p> <p>See Standard Response 6.</p> <p>See Standard Response 6.</p>
0053	Disagrees with regulatory language regarding what constitutes a delivery company. In the era of the gig economy, a deeper pool of drivers should be available to retailers to deliver cannabis, which technology companies can readily provide.	See Standard Response 2.
0054	The most recent draft of the cannabis regulations by CDFA does not include language that would ensure strong communication with locals. Cites sections 8204, 8206, 8208, and 8115. Suggests a provision to be included in the regulations that would require CDFA to notify the applicable local jurisdiction where a licensed premises is located, is proposed to be located, or will be located regarding any administrative or enforcement action taken on a licensee.	See Standard Response 6.

0056	Demands that CDFA implement MAUCRSA and prohibit large cultivation operations until 2023. CDFA has failed to implement the will of the voters by allowing single businesses to stack unlimited numbers of small licenses.	See Standard Responses 1 & 6.
0057, 0060	<p>Regarding section 8000(m), this new definition would have tremendous effect on nurseries and propagation areas within farms. Farms would not be able to have mother plants in order to make clones.</p> <p>Regarding section 8000(t), the changes proposed under this section will create an issue for licensees, forcing them to carry multiple licenses in order to have outdoor operations while also using hoop houses for light deprived mixed light tier 1 production.</p> <p>Regarding section 8202(g), this will have a major effect on small farms and sustainable farming.</p>	<p>See Standard Response 6.</p> <p>See Standard Response 6.</p> <p>See Standard Response 6.</p>
0059	<p>Create one combination license for nursery, processor, and single property bound transport-only distribution at a discounted license fee from the current three fees. This would also reduce track and trace fees.</p> <p>Samples for retail need to be allowed under the regulations.</p> <p>The regulations are not clear regarding the fees for cultivators under one entity and on one parcel that want to self-distribute to dispensaries or distribute to other distributors.</p>	<p>See Standard Response 6.</p> <p>See Standard Response 6.</p> <p>See Standard Response 6.</p>
0062	The non-cannabis specific agencies which are part of the application review process (Fish and Wildlife, Air Pollution Control, and the Water Board) have never been asked to evaluate an application for a business located on tribal lands. Consider allowing some flexibility in how specific questions may be answered to recognize that other state agencies which are part of the process are not equipped to provide the help being demanded of them.	See Standard Response 6.
0064	Add to section 8205(a)(5) that if a licensee must deploy emergency power or water sources in order to preserve their cannabis in production, they must notify the department of the change in a reasonable amount of time.	See Standard Response 6.
0069	Regarding the definition of light deprivation in the proposed permanent regulations (section 8202(g)) the prohibition that outdoor licensees cannot use light deprivation fails to meet the consistency	See Standard Response 6.

	requirement of Government Code section 11349(d), is inconsistent with statute, and fails the necessity standard. The regulations need to clarify that sungrown cultivation using no artificial light should be classified as outdoor cultivation, not mixed light.	
0072	Letter directed to the Bureau of Cannabis Control comments on section 5032(b) of the Bureau's regulations related to white labeling.	See Standard Response 2.
0075	Citing regulations promulgated by the Bureau of Cannabis Control (sections 5009 and 5010), and CDFA (sections 8207, 8109, and 8304), states that the proposed regulations do not offer enough definition or control over water during disasters; the identification of water and supplemental source information are unenforceable; that Indian tribes have federally reserved water rights; and that CEQA and AB 52 should be included in the General Environmental Protection Measures as they are required by law and should be stated clearly as requirements to all permit applicants.	See Standard Responses 2 & 6.
0076, 0079	<p>Regarding section 8601(a), this section has a minor grammatical inconsistency: section 8601(a) lists the violation classes in the order "Minor," "Moderate," and "Serious." The subsequent definitions in section 8601(a)(1-3) are listed in a different order.</p> <p>Section 8602(a) also has a minor grammatical inconsistency. Subdivision (a) lists the violation classes in the order "Minor," "Moderate," and "Serious." The subsequent definitions in section 8602(a)(1-3) are listed in a different order.</p> <p>See (4) for potential solutions.</p> <p>For sections 8402(e)(1) and 8405(c), add the following language: "or as authorized by the Department" to allow some flexibility for both the Department and the licensee. Previous comments were submitted requesting that the deadline by which to update track-and-trace following a loss of access be scalable and related to the length of time there is loss of access, however these sections do not allow any such flexibility. This language should</p>	<p>See Standard Response 6.</p> <p>See Standard Response 6.</p> <p>See Standard Responses 1 & 6. Further, it is unclear what this comment is addressing. If the comment is referring to the comment (4) just prior to this notation, the Department responded appropriately to the previous comment in the Final Statement of Reasons.</p> <p>See Standard Response 6.</p>

	be replicated in the associated rows of Table A. Additionally, review the fines associated with these two sections in Table A. Modify such that licensees are only fined once for the same offense.	
0077	Supports the white labeling rules that are proposed.	See Standard Response 2.
0078	Related to the “wattage per sq ft” requirements of your various mixed light and indoor licenses, the way the requirements are written, it appears one would be in violation if one used less than the required wattage. This seems like a restriction that is not very environmentally friendly. I suggest you remove any references to the “above x” from each license and just say “up to x” (for tiers) and “unlimited” (for indoor).	See Standard Response 6.
0080	Strike proposed regulation section 8102(f).	See Standard Response 6.
0083	Regarding section 8203(g)(2), recommend changing the wording to include net zero energy sources that are part of a net metering or other utility benefit.	See Standard Response 6.
0084	Cites regulation section 5032 promulgated by the Bureau of Cannabis Control and provides suggestions.	See Standard Response 2.
0085	Cites regulation section 5411 promulgated by the Bureau of Cannabis Control and provides suggestions.	See Standard Response 2.
0092	<p>The new prohibition on shared areas falls short of meeting the necessity requirement of Government Code section 11349(a).</p> <p>The Notice of Modification to Text of Proposed Regulations fails to explain any need for prohibiting the following areas to be “shared among multiple licenses held by one licensee;” no evidence is cited for this proposed prohibition.</p>	<p>CDFA rejects this comment. The necessity of this modified language is thoroughly addressed in the final statement of reasons and throughout this regulation package. Further, the Department believes this language is needed to effectuate statutes and other provisions of law that these regulations implement and makes specific.</p> <p>CDFA rejects this comment. The shareable area(s) language is in response to comments received during the 45-day comment period requesting guidance on shared spaces between licenses and in the Department’s effort to support streamlined cultivation operations by permitting licensees to share areas for which the activity does not require an additional state license. Specifically, pesticide</p>

		and agricultural chemical storage area(s) composting area(s), and secured area(s) for cannabis waste, do not require an additional state license and are reasonable areas to share licenses held by the same licensee. The areas which require an additional license type to complete the prescribed activity amongst multiple licenses held by a single licensee are not shareable and include the immature plant areas (requires a nursery license) designated processing areas (requires a processing license) and designated packaging areas (requires a processing area). Further, the Department determined that common use areas, including hallways and bathrooms, are reasonable to be shared amongst multiple licensees as they do not require an additional license and are not directly related to licensed activities as identified in section 8106, subdivision (a)(1)(K).
0094	Comment letter addressed to the Bureau of Cannabis Control cites only regulations promulgated by the Bureau and makes suggestions.	See Standard Response 2.
0095, 0098, 0099, 0100	Letter cites regulations promulgated by the Bureau of Cannabis Control and the California Department of Public Health and makes suggestions to those agency's' regulations.	See Standard Responses 2 & 3.
0096	Citing regulation sections 8101 and 8200, cut costly fees in half for at least 3-5 years so that small farmers can survive. Regarding section 8202, allow small businesses to support and work together by providing the ability to transfer to other licensed people in the industry.	See Standard Response 6. See Standard Response 6.
0109	Requiring a licensee to apply a UID to all individual flowering plants is impractical and request that the same requirements set for immature plants under section 8403(b)(1) be applied to flowering plants.	See Standard Response 6.
0101	Recommend amending section 8000(ab) and section 8201(f) to read, "...means all activities associated with harvesting, drying, curing, grading, sanitizing,	

	<p>trimming, rolling, storing, packaging, and labeling of non-manufactured cannabis product.”</p> <p>Recommend removal of sections 8202(g) and 8000(t)(1); strike “or light deprivation” in section 8000(w).</p> <p>Recommend amending section 8205(a) to permit emergency relocation of canopy with 24-hour notification to CDFA.</p>	See Standard Response 6.
0102	Regarding section 8205, request a time period in which the department shall respond with approval or denial of the proposed modifications. Suggest a reasonable time would be two weeks.	See Standard Response 6.
0107	Remove “permanent” from section 8000(n).	See Standard Response 6.
0108	Pages 2-3 of the comment letter are directed at the Bureau of Cannabis Control. Comments related to CDFA are responded to elsewhere in the Final Statement of Reasons.	See Standard Response 2.
0109	Regarding section 8403(b)(3), respectfully point out that requiring a Licensee to apply a UID to all individual flowering plants is impractical and request the same requirements set for in for immature plants 8403(b)(1) be applied to flowering plants.	See Standard Response 6.
0111	Please take the need to weigh wet plants out of the regulations.	See Standard Response 6.
0112	<p>In section 8000(z), remove the term “contiguous” and keep the verbiage of “one licensee.”</p> <p>In section 8102(f), indicate that the specification for hours of operation are based on plans. Remove the requirement of a minimum of two (2) hours of operation.</p>	<p>See Standard Response 6 for the response relating to the addition of the word “contiguous.” The change to one “license” from “licensee” is discussed elsewhere in the Final Statement of Reasons.</p> <p>See Standard Response 6.</p>
0113	<p>There should be a limit on the potency of allowable cannabis for use as flower or pre-rolls to below 20% THC content, and of concentrates to 50% THC or below.</p> <p>CDFA should adopt equity promoting provisions into their regulations on manufacturing licensing.</p> <p>The distance of licensed cannabis retailers from youth-serving institutions should be expanded to 1000 feet.</p>	<p>See Standard Responses 2 & 3.</p> <p>See Standard Response 3.</p> <p>See Standard Response 2.</p>

<p>0114</p>	<p>Letter addressed to all three cannabis licensing agencies cites regulations relating to labor peace agreements (section 8102 for CDFR) and makes suggestions.</p> <p>Makes suggestions to the Bureau of Cannabis Control regarding their regulation sections 5003, 5004, 5014, and 5015.</p>	<p>See Standard Response 6.</p> <p>See Standard Response 2.</p>
<p>0115</p>	<p>Comment addressed to the Bureau of Cannabis Control cites only Bureau regulations and provides suggestions.</p>	<p>See Standard Response 2.</p>
<p>0119</p>	<p>Regarding section 8202(g), I support light deprivation for outdoor cultivation.</p>	<p>See Standard Response 6.</p>
<p>0122</p>	<p>Extend temporary licenses to 2019 to allow more time for municipalities to proceed with licensing and process applications.</p> <p>Provide modified local authorization process for municipalities that allows a business to receive a state temporary license without being able to operate until the municipality has approved all the needed permits.</p> <p>Greatly expedite the annual application process.</p> <p>Concerned that the proposed regulations would limit contractual agreements between licensees and non-licensees, especially with regards to intellectual property and licensed brands. Hope this is reversed.</p> <p>Support the state moving forward with licensing for industrial hemp-derived CBD (low-THC, not intoxicating) cultivation, manufacturing, distribution, testing, and retail. Would like to see a path for operators in this space to have legal clarity.</p>	<p>See Standard Response 6.</p> <p>See Standard Response 6.</p> <p>See Standard Response 6.</p> <p>See Standard Response 6.</p> <p>See Standard Response 6. Further, industrial hemp regulations are not part of this rulemaking action or subject to the provisions of MAUCRSA. The Department's California Industrial Hemp Program is responsible for developing regulations, fee structure, registration process, and other administrative details as necessary to provide for the commercial production of industrial hemp in accordance with the Adult Use of Marijuana Act (Proposition 64, November 2016).</p>

