

**State of California
Office of Administrative Law**

In re:
Department of Justice

Regulatory Action:

Title 11, California Code of Regulations

Adopt sections: 26.20

Amend sections:

Repeal sections:

NOTICE OF FILING AND PRINTING ONLY

Government Code Section 11343.8

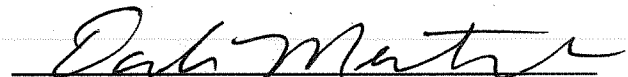
OAL Matter Number: 2018-0119-02

OAL Matter Type: File and Print Only (FP)

This action, submitted by the Department of Justice pursuant to Government Code section 11343.8, is a request to file with the Secretary of State the Commercial Cannabis Licensee Bond form of the Department of Food and Agriculture and to print the title of the adopted bond form in Title 11 of the California Code of Regulations at section 26.20.

OAL filed this regulation with the Secretary of State and will publish the regulation in the California Code of Regulations.

Date: January 29, 2018



**Dale P. Mentink
Senior Attorney**

For: Debra M. Cornez
Director

Original: Xavier Becerra, Attorney
General

Copy: Cara M. Porter

FILE PRINT

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS Z-	NOTICE FILE NUMBER	REGULATORY ACTION NUMBER 2018-0119-02FP	EMERGENCY NUMBER
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ENDORSED - FILED
in the office of the Secretary of State
of the State of California

JAN 29 2018

1:39pm

For use by Office of Administrative Law (OAL) only

2018 JAN 19 P 3:15

**OFFICE OF
ADMINISTRATIVE LAW**

NOTICE

REGULATIONS

AGENCY WITH RULEMAKING AUTHORITY

Department of Justice, for the Department of Food and Agriculture

AGENCY FILE NUMBER (if any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE	
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON		TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn			NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Department of Food and Agriculture bond form	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT Article 1, section 26.20 Commercial Cannabis Licensee Bond
	AMEND
	REPEAL
TITLE(S) 11, Div. 1, Chapter 2	

3. TYPE OF FILING

<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input checked="" type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input checked="" type="checkbox"/> Other (Specify) <u>Adoption of surety bond form</u>	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input checked="" type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> §100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify)
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6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Other (Specify)		

7. CONTACT PERSON Cara M. Porter	TELEPHONE NUMBER (415) 703-1188	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional)
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE <i>Cara M. Porter</i>	DATE January 17, 2018
TYPED NAME AND TITLE OF SIGNATORY Cara M. Porter, Deputy Attorney General	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

JAN 29 2018

Office of Administrative Law

COMMERCIAL CANNABIS LICENSEE BOND

Business and Professions Code Sections 26051.5 and 26070

California Code of Regulations, Title 3, Section 8102(n)

Bond No: _____

The premium on this bond is \$ _____

KNOW ALL PERSONS BY THESE PRESENTS:

That _____

whose address for service of process is -

as Principal, and _____,

a corporate insurer organized under the laws of the State of _____, whose

address for service of process is

_____ and

who is admitted to transact a surety insurance in the State of California, as Surety, are held firmly bound

unto the State of California in the penal sum of _____ Dollars

(\$ _____) for the payment of which will be well and truly be made we bind ourselves, our

heirs, administrators, successors and assigns, jointly and severally, firmly by these presents.

The conditions of the above obligation is such that:

WHEREAS, the provisions of the California Business and Professions Code sections 26051.5 and 26070 and California Code of Regulations, title 3, section 8102, require that the Principal post a Bond to cover the costs of destruction of cannabis or cannabis products if necessitated by a violation of licensing requirements in statute or regulations adopted thereunder.

NOW THEREFORE, the Principal, and any and all agents and employees representing the Principal shall faithfully comply with the license provisions of the Medicinal and Adult-Use Cannabis Regulations and Safety Act (MAUCRSA), contained in Division 10 of the California Business and

Professions Code (§ 26000 *et seq.*) and properly and legally destroy all cannabis and cannabis products if necessitated by a violation of the requirements of said license.

PROVIDED HOWEVER, this bond is issued subject to the following express provisions:

1. This bond shall be deemed continuous in form and shall remain in full force and effect and shall run concurrently with the license period for which the license is granted and each and every succeeding renewal period or periods, or until the bond is canceled by the surety.
2. By executing this bond, Principal and Surety agree any action on this bond shall be instituted and prosecuted in the counties of the State of California, with service by U.S. mail as prescribed in California Code of Civil Procedure sections 417.10 and 417.20 and this bond shall be governed by the laws of the State of California.
3. This bond is executed by the Surety to comply with the provisions of MAUCRSA, contained in Division 10 of the California Business and Professions Code (§ 26000 *et seq.*) and said bond shall be subject to all of the terms and provisions thereof.
4. The aggregate liability of the Surety hereunder on all claims whatsoever shall not exceed the penal sum of the bond in any event.
5. This bond shall be subject to the provisions of Chapter 2 (commencing with section 995.010) of Title 14 of Part 2 of the California Code of Civil Procedure.
6. The Surety may cancel this bond at any time by delivering thirty (30) days written notice of its desire to do so to the California Department of Food and Agriculture and to the Principal herein. The surety shall not be liable for any loss or claim based upon transactions occurring subsequent to the effective date of such cancellation, but such cancellation shall not affect the liability of the Surety as to any matters occurring prior to the effective date thereof.
7. This bond shall be effective _____ but not prior to its execution. If no date is written it shall take effect on the later of the two dates or execution set forth below.

DATE _____

NAME OF SURETY

Print Name and Title

Signature

I certify under penalty of perjury, under the laws of the State of California, that I have executed the foregoing bond under an unrevoked power of attorney.

Executed in _____ on _____

Signature of Attorney-in-Fact for Surety

Printed or Typed Name of Attorney-in Fact

[Consider having power of attorney attached]

DATE: _____

NAME OF PRINCIPAL

Print Name and Title

Signature