Department of Food and Agriculture Cannabis Appellations Program Proposed Text of Regulations

Existing regulations are in normal text. Text proposed for adoption is shown in underline. Proposed deletions are shown in strikethrough.

CCR TITLE 3. FOOD AND AGRICULTURE

DIVISION 8. CANNABIS CULTIVATION

CHAPTER 2. CANNABIS APPELLATIONS PROGRAM

Article 1. Definitions

§ 9000. Definitions.

The following definitions apply to this chapter:

- (a) "Appellation of Origin" means a name of an area, or the area and production requirements represented by that name, that has been approved by the department based on the requirements detailed in this chapter.
- (b) "Cultivar" means a cultivated variety, trade designation, or strain of cannabis.
- (c) "Department" means the Department of Food and Agriculture.
- (d) "Notice of Use" means a notification from a licensed cultivator to the Department of Food and Agriculture of the use of an appellation of origin in the commercial cannabis marketplace and satisfies the requirements of section 9302 of this chapter.
- (e) "Petitioning organization" means a group of licensed cultivators representing three or more unique businesses within the geographical area of the proposed appellation of origin.
- (f) "Petitioner" means the licensee designated by the petitioning organization to be the primary contact for the petition.
- (eg) "Practice" means an allowed or prohibited method of cultivation or method of conducting commercial cannabis activity.
- (\underline{fh}) "Produced" means the following occurred within the specified geographical area of the appellation of origin:

(1) the cannabis was cultivated within that geographical area starting from the time the plants were no taller or wider than 18 inches; and

- (2) the cannabis was planted, grown, harvested, dried, cured, graded, and trimmed within that geographical area.
- (gi) "Standard" means a measurable, scorable, or certified requirement applicable to the cannabis or cultivation.

Authority: Section 26063, Business and Professions Code. Reference: Section 26063, Business and Professions Code.

Article 2. Petitions

§ 9100. Submission of Petitions.

- (a) A petitioning organization <u>licensed cultivator</u> may submit a petition <u>for their cultivation</u> region to the department to:
- (1) Establish a new appellation of origin; or
- (2) Amend an existing appellation of origin.
- (b) Petitions shall be submitted to the mailing address or email address listed on the Cannabis Appellations Program webpage on the department's website.
- (c) Petition submission fees, pursuant to section 9101 of this chapter, shall be paid at the time the petition is submitted to the department.
- (d) Petition proposal fees, pursuant to section 9101 of this chapter, shall be paid at the request of the department according to section 9200, subdivision (b) of this chapter.

Authority: Section 26063, Business and Professions Code. Reference: Section 26063, Business and Professions Code.

§ 9101. Petition Fees.

- (a) The following are the non-refundable petition fees for the specified petitions:
 - (1) Petition to Establish an Appellation of Origin:
 - (A) A petition submission fee of \$2,850; and
 - (B) A petition proposal fee of \$14,250.

- (2) Petition to Amend an Appellation of Origin:
 - (A) A petition submission fee of \$1,425; and
 - (B) A petition proposal fee of \$7,125.

Authority: Sections 26012, 26013, 26063, and 26180, Business and Professions Code. Reference: Section 26063s 26012, 26013 and 26180, Business and Professions Code.

§ 9102. Petition to Establish an Appellation of Origin.

A petition to establish a new appellation of origin shall include:

- (a) Petitioner name, license numbers issued by the Department of Cannabis Control, primary contact phone number, email address, and signature preferred method of contact;
- (b) Names, license numbers issued by the Department of Cannabis Control, <u>phone</u> <u>numbers</u>, <u>email addresses</u>, and signatures of any individuals <u>designated as alternative</u> <u>contacts</u> in the <u>petitioning organization</u>;

Authority: Section 26063, Business and Professions Code. Reference: Section 26063, Business and Professions Code.

Article 3. Petition Review Process

§ 9204. Effective Date

- (a) An appellation of origin shall be considered established 30 days after the notice of final decision approving the appellation is issued by the department.
- (b) The use of trademarks containing an appellation of origin, including any similar name which is likely to mislead consumers as to the kind of cannabis, in advertising, labeling, marketing, or packaging is not subject to the appellation of origin use requirements, pursuant to Article 4 of this chapter, during a period of one year following the effective date identified in the notice of final decision to establish the appellation of origin, provided that:
 - (1) The trademark is not misleading about geographical origin of the cannabis;
 - (2) The trademark was established prior to February 21, 2020, through filing with the California Secretary of State or the United States Patent and Trademark Office, or through use in advertising, labeling, marketing, or packaging in the California cannabis marketplace;

(3) The trademark was used at least once per a year in the California cannabis marketplace between February 21, 2020, and the date of approval of the appellation in the notice of proposed action for the appellation of origin as described in section 9201, subdivision (a);

- (4) <u>Documentation of compliance with the requirements in subdivisions (b)(2) and (b)(3) is retained by the trademark user and is provided to the department upon request;</u>
- (5) A claim of historical use of the trademark as described in subdivision (b)(3) is communicated to the department during the public comment period as set forth in section 9102; and
- (6) The use of the trademark in advertising, labeling, marketing, or packaging includes a truthful statement of the county of origin, city of origin, city and county of origin, or appellation of origin of the cannabis pursuant to Business and Professions Code section 26063.

Authority: Section 26063, Business and Professions Code. Reference: Section 26063, Business and Professions Code.