CALIFORNIA CODE OF REGULATIONS Title 3. FOOD AND AGRICULTURE Division 8. CANNABIS CULTIVATION Chapter 2. CANNABIS APPELLATIONS PROGRAM

ADDENDUM TO THE INITIAL STATEMENT OF REASONS

Following the 45-Day Comment Period.

I. Revisions to the Proposed Regulations

After consideration of comments received during the 45-day comment period which closed on March 19, 2024, and the hearing held on March 19, 2024, revisions to the proposed regulation text are shown in the accompanying document using double-underline for additions and double-strikeout for deletions. These revisions are consistent with the originally proposed regulations. They are intended to increase the clarity of the regulations in response to public comments.

II. Update to the Initial Statement of Reasons

Modifications Provided for in the 15-Day Comment Period

The specific 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:

<u>CHAPTER 2. CANNABIS APPELLATIONS PROGRAM</u> <u>ARTICLE 1. DEFINITIONS</u> <u>Section 9000. Definitions</u>

9000(d): Added subsection (d) to include a definition of "Notice of Use." This revision is necessary for clarity of use of the term "Notice of Use" in Article 4 Section §9302.

9000(h)(2): Revised the language defining "produced" to remove the potentially confusing use of different forms of "cultivate" in the definition. This revision is necessary for clarity in the definition of "produced."

9000(d-h): Subsection labels (d) though (h) have been revised to subsections (e) through (i). These changes are necessary to accommodate the insertion of the new subsection(d) into Section 9000.

ARTICLE 4. REQUIREMENTS FOR USE OF AN APPELLATION OF ORIGIN Section 9302. Notice of Use for an Appellation of Origin

9302(a): Replaced "licensee" with "licensed cultivator" to clarify that the licensee filing the Notice of Use must be a cultivator. This revision is necessary to clarify that the license type needed for submission of the Notice of Use is a cultivation license as opposed to other types of licensees regulated by the Department of Cannabis Control.

Added "before or after the first use" after the phrase "within 30 days" to the requirement of when the notification is required. This modification is necessary to clarify both the required timing of the required notification and that it is only required once (i.e., after first use) during the 3 years for which the notice is valid.

Added "in advertising, labeling, marketing, or packaging of cannabis produced by the cultivator" after "use of an appellation of origin." This addition is necessary to clarify the types of use that trigger the need for notification to the department. The specific commercial activities listed as "use" are identified in Business and Professions Code 26063. It is also necessary to make clear that the cultivator is responsible for filing the Notice of Use and to prevent misuse of an appellation of origin by those who didn't produce the cannabis labelled with an appellation.

Added "The notification from a licensed cultivator to the department shall be referred to as the

"Notice of Use." This addition is necessary to clarify that the required notification described in the subsection is the Notice of Use requirement for use of an appellation of origin in the commercial marketplace.

Removed the specific email address, "<u>CDFA.CalCannabis_Appellations@cdfa.ca.gov,</u>" from the notification requirement and replaced it with "the email address on the department's website." This modification is necessary to avoid future revisions if the specific email address for submittal of a Notice of Use were to change.

9302(e)(1): Changed the uppercase "D" to lowercase "d" in "department" for consistency of format throughout the regulations.