

CALIFORNIA CODE OF REGULATIONS

Title 3. FOOD AND AGRICULTURE

Division 8. CANNABIS CULTIVATION

SECOND ADDENDUM TO THE INITIAL STATEMENT OF REASONS

Following the First 15-Day Comment Period.

I. Revisions to the Proposed Regulations

After additional review and consideration of comments received during the 15-day comment period, which closed on July 15, 2024, revisions to the proposed regulation text are shown in the accompanying document using italics and double-underline for additions and italics 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 and additional review.

II. Update to the Initial Statement of Reasons

The specific modifications to the text as originally proposed, identified below by their respective section and subdivision numbers to Division 8 of Title 3 of the California Code of Regulations, are as follows:

CHAPTER 2. CANNABIS APPELLATIONS PROGRAM

Article 1. Definitions

Section 9000. Definitions

9000(a): Revised the definition of “Appellation of Origin” to include “or the area and production requirements represented by that name.” This revision is necessary to maintain clarity and consistency of the use of the term throughout the Chapter.

References: Removed Business and Professions Code (BPC) section 26001 from the “References” for section 9000. CDFA’s definition of “produced” in section 9000 is intended to be

consistent with the definition of cultivation included in BPC section 26001. However, the department determined the appropriate authority and reference for section 9000 is Business and Professions Code section 26063.

Article 2. Petitions

Section 9102. Petition to Establish an Appellation of Origin

References: Removed BPC sections 26012 and 26061 from the “References” for section 9102 because the department determined the appropriate authority and reference for section 9102 is solely BPC section 26063.

Article 3. Petition Review Process

Section 9202. Notice of Final Decision on Appellation of Origin

References: Removed BPC sections 26012 from the “References” for section 9202 because the department determined the appropriate authority and reference for section 9000 is solely BPC section 26063.

Section 9203. Denial of Petition for Appellation of Origin

9203(d): Subsection 9203(d) was revised for clarity. Section 9203 lists reasons for denial of a petition to establish an appellation of origin. Subsection 9203(d) specifically addresses a petition that fails to address the requirements of 9102 (a) and (c). Section 9102 (a) requires a description of the cause-and-effect relationship (i.e., the causal link) between the geographical features used to delineate that appellation of origin and the resulting characteristics of cannabis. Failure to address this in a petition is addressed in 9203(d) by “Proposed geographical features are not causally linked to the cannabis.” The phrase “the causal links are not maintained” is removed as it is redundant and may cause confusion. If the proposed cause-and-effect relationship between geographical features and characteristics of the cannabis are not maintained in a meaningful way, then they are not causal links and are not appropriate to delineate the appellation of origin.

Subsection 9203(d) was also revised to clarify that at least one of those causal links must

meet the additional standards set forth in subsection 9102 (c). The clarifying phrase “for at least one of those causal links” is added to the requirement to meeting the standards of 9102(c) for clarity.

Article 4. Requirements for Use of an Appellation of Origin

Section 9301. Recordkeeping

Section 9301 was reorganized for clarity, segmenting the two types of records that must be kept for use of an appellation of origin and emphasizing that the DCC maintains requirements for recordkeeping that apply to all commercial cannabis activity, including use of an appellation of origin.

The language, “the following in accordance with all recordkeeping requirements developed by the Department of Cannabis Control pursuant to Business and Professions Code section 26160” was added to the requirement to maintain the records to clarify that the recordkeeping requirements for appellations of origin must meet the DCC’s recordkeeping requirements for commercial cannabis activity.

The time required for keeping those records (“for seven (7) years”) was removed because that requirement is already included in the referenced BPC section 26160.

References: Removed BPC sections 26160 from the “References” for section 9301 because the department determined the appropriate authority and reference for section 9301 is solely BPC section 26063.

Section 9302. Notice of Use for an Appellation of Origin

9302(c): Added the sentence, “For continued use of an appellation of origin, the cultivator shall resubmit a Notice of Use every three years” after the sentence, “A Notice of Use shall be effective for three (3) years.” This addition is necessary for clarity, making the requirement to resubmit the notification after the 3-year effective period explicit. The addition of “every 3

years” is necessary to be clear that the notification requirement continues with continued use of an appellation of origin.

9302(e): Removed the phrase, “at its own discretion” in relationship to the department’s decision to cancel an appellation of origin due to not receiving a notice of use from any cultivator in an established appellation of origin after a period of five years. This revision is necessary to provide clarity that the department’s decision to cancel an appellation of origin will not be arbitrary but will be based on an indication of non-use of an appellation in the commercial marketplace for five (5) years. The phrase “in its sole discretion” was removed because it was superfluous and unnecessary.

References: Removed BPC sections 26012 and 26061 from the “References” for section 9302. The department determined the appropriate authority and reference for section 9302 is solely BPC section 26063.