

# Commercial Cannabis Regulation

Community Outreach Session



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# Cannabis Regulation

State Regulations for Commercial Cannabis Activity

## Prop 64 “Yes” Results

Statewide:  
57.40%



Los Angeles  
County:  
59.5%



City of  
Commerce:  
55%

# State Regulation Timeline (Key Dates)

## 1996 - Compassionate Use Act (Prop. 215)

- Prevented State criminal sanctions against qualified patient or the patient's primary caregiver, for possession or cultivation of marijuana for the personal medical purposes of the patient, upon recommendation of a physician

## 2015 - Medical Cannabis Regulation and Safety Act (MCRSA)

- AB 243, AB 266 and SB 643, collectively established a comprehensive state regulatory framework for the licensing and enforcement of cultivation, manufacturing, retail sale, transportation, storage, delivery and testing of medical cannabis in California.

## 2016 - California Voters pass Proposition 64 the Adult Use of Marijuana Act (AUMA)

- Allows adults 21 years+ to legally grow, possess, and use cannabis for non-medical purposes, with certain restrictions.
- Beginning date: Jan 1, 2018

# Evolution of State Cannabis Regulations

## SB 93 - “MAUCRSA”

- ▶ Medicinal and Adult-Use Cannabis Regulation and Safety Act
- ▶ Became law on June 27, 2017
- ▶ Merged Medicinal licensing (MCRSA) with Adult Use provisions of (AUMA)

## AB 133 - CANNABIS REGULATION

- ▶ Became law on September 18, 2017
- ▶ Removed the requirement that different commercial license types cannot co-locate
- ▶ Allowed integrated licensing

# Licensing

State Licensing and Local Permitting

CAL 



CALIFORNIA DEPARTMENT OF  
FOOD & AGRICULTURE

CAL  
CANNABIS  
CANNABIS.CA.GOV

# Cultivation

## State License Classifications

The California Department of Food and Agriculture (“CDFA”) is responsible for licensing and regulating cultivation activities.

Cultivation licenses have 3 main categories: cultivators, nurseries and processors.

- ▶ **CULTIVATION** - includes mix of small, medium, or large operations; mixed-light sites; indoor and outdoor; specialty cottage; and nursery.
- ▶ **CULTIVATION** = any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

# Cultivation License Types

Cultivation License types include:

**(a) Specialty Cottage:**

(1) “Specialty Cottage Outdoor” is an outdoor cultivation site with up to 25 mature plants.

(2) “Specialty Cottage Indoor” is an indoor cultivation site with 500 square feet or less of total canopy.

(3) “Specialty Cottage Mixed-Light Tier 1 and 2” is a mixed-light cultivation site with 2,500 square feet or less of total canopy.

**(b) Specialty:**

(1) “Specialty Outdoor” is an outdoor cultivation site with less than or equal to 5,000 square feet of total canopy, or up to 50 mature plants on noncontiguous plots.

(2) “Specialty Indoor” is an indoor cultivation site between 501 and 5,000 square feet of total canopy.

(3) “Specialty Mixed-Light Tier 1 and 2” is a mixed-light cultivation site between 2,501 and 5,000 square feet of total canopy.

**(c) Small:**

(1) “Small Outdoor” is an outdoor cultivation site between 5,001 and 10,000 square feet of total canopy.

(2) “Small Indoor” is an indoor cultivation site between 5,001 and 10,000 square feet of total canopy.

(3) “Small Mixed-Light Tier 1 and 2” is a mixed-light cultivation site between 5,001 and 10,000 square feet of total canopy.

**(d) Medium:**

(1) “Medium Outdoor” is an outdoor cultivation site between 10,001 square feet and one acre of total canopy.

(2) “Medium Indoor” is an indoor cultivation site between 10,001 and 22,000 square feet of total canopy.

(3) “Medium Mixed-Light Tier 1 and 2” is a mixed-light cultivation site between 10,001 and 22,000 square feet of total canopy.

**(e) “Nursery”** is a cultivation site that conducts the cultivation of cannabis solely as a nursery.

**(f) “Processor”** is a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis and nonmanufactured cannabis products.

# Indoor Cultivation





# Outdoor Cultivation

# Mixed- Light Cultivation





CALIFORNIA DEPT. OF PUBLIC HEALTH

# MANUFACTURED CANNABIS SAFETY BRANCH

[WWW.CDPH.CA.GOV](http://WWW.CDPH.CA.GOV)

# Manufacturing

## State License Classifications

The California Department of Public Health (“CDPH”) is responsible for licensing and regulation of manufacturing activities.

- ▶ A licensee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or re-labels its container.
- ▶ A person that infuses cannabis in its products but does not perform its own extraction.



# Cannabis Manufactur ing Lab

## Bureau of Cannabis Control Online Services



Register



License Search



File a Complaint



Contact Us

Welcome to our Bureau of Cannabis Control's Online Licensing System.

We are pleased to offer this service to our customers so that you can easily apply for a commercial cannabis license, submit payments, and track the status of your application all from the convenience of your home or office, 24 hours a day.



**BUREAU** OF  
**CANNABIS**  
**CONTROL**  
CALIFORNIA

**BUREAU OF CANNABIS CONTROL**  
**WWW.BCC.CA.GOV/**

# Distribution

## State License Classifications

The California Bureau of Cannabis Control (“BCC”), is responsible for licensing and regulation of distribution activities.

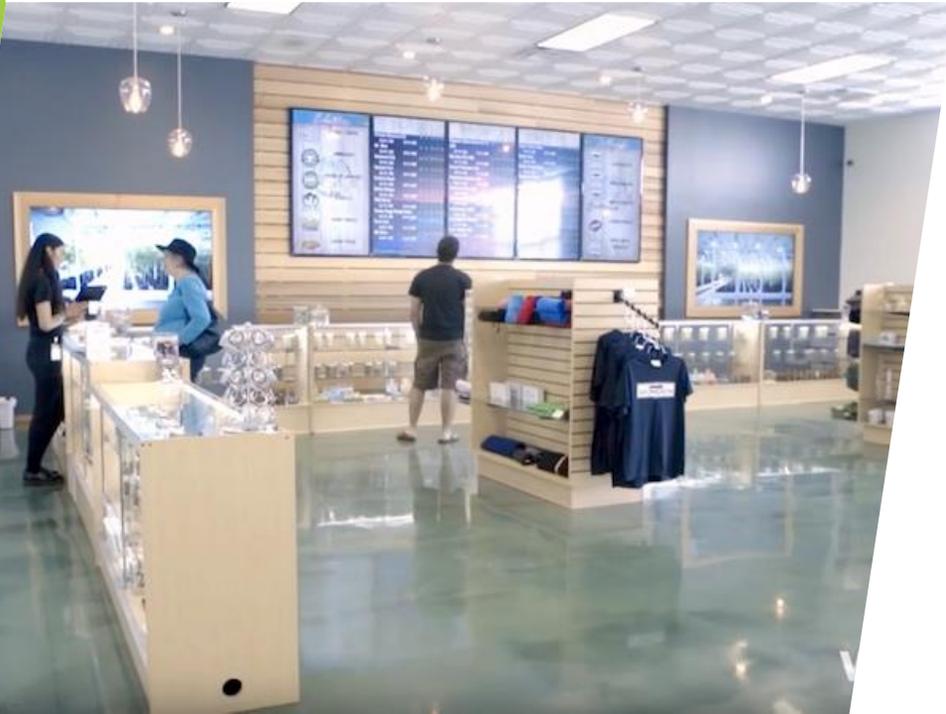
- ▶ Distribution = Procurement, sale, and transport of cannabis and cannabis products between licensees
  - ▶ First Party - Producer to customer
  - ▶ Third Part - “Middle Man”

# Retail

## State License Classifications

The California Bureau of Cannabis Control (“BCC”), is responsible for licensing and regulation of distribution activities.

- ▶ Retail = sale and delivery of cannabis or cannabis products to customers. A retail site includes a physical location, including a building, room, or other area where the commercial cannabis activities are conducted.
- ▶ 2 Types of Retail:
  - ▶ Store Front (shop)
  - ▶ Delivery (mobile service)



# Regulated Retail Shops

# Microbusiness

## State License Classifications

The California Bureau of Cannabis Control (“BCC”), is responsible for licensing and regulation of distribution activities.

- ▶ Microbusiness must engage in at least 3 of the authorized commercial cannabis activities.
- ▶ Types of authorized commercial cannabis activities:
  - ▶ cultivation (less than 10,00 square feet)
  - ▶ manufacturing (non- volatile extraction only),
  - ▶ distribution
  - ▶ retail

# Testing Lab

## State License Classifications

The California Bureau of Cannabis Control (“BCC”), is responsible for licensing and regulation of distribution activities.

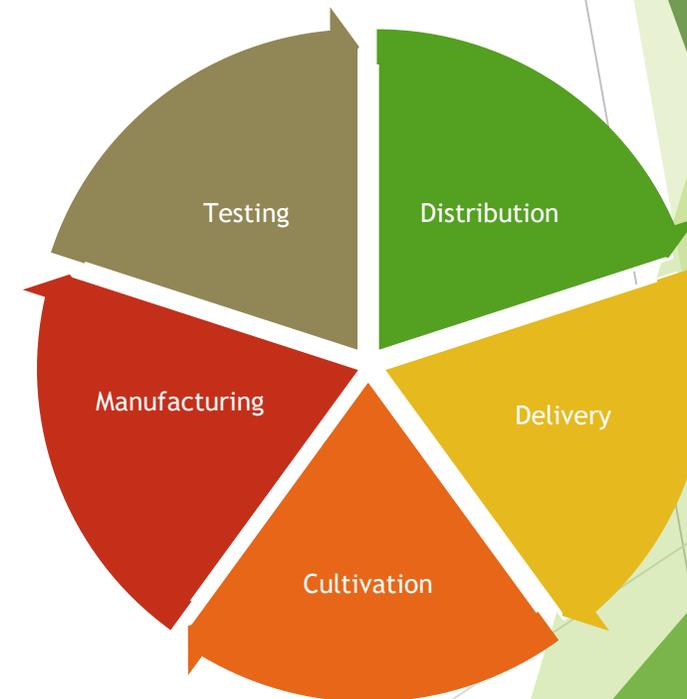
- ▶ Testing Lab = facility, or entity that offers or performs tests of cannabis or cannabis products
- ▶ Labs must be:
  - ▶ Accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state.
  - ▶ Licensed by the State of California.

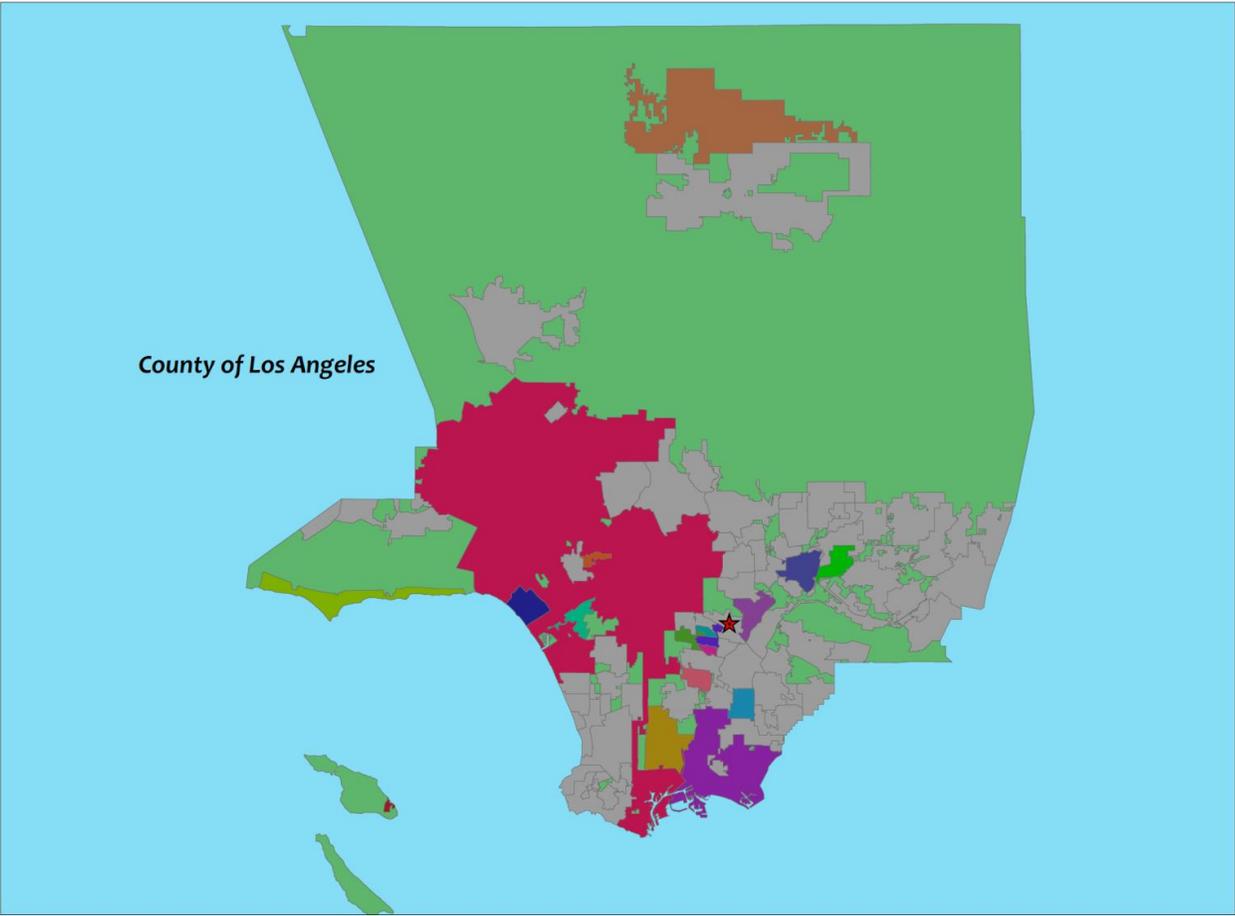
# COMMERCIAL CANNABIS LICENSES

## State

- ▶ Cultivation License Types
  - 1 - Specialty (Outdoor, Indoor, Mixed Light and Cottage)
  - 2 - Small (Outdoor, Indoor and Mixed Light)
  - 3 - Medium (Outdoor, Indoor, and Mixed Light)
  - 4 - Nursery
- ▶ Manufacturing
  - ▶ Type 6 - Non-volatile extraction
  - ▶ Type 7 - Volatile extraction
- ▶ Testing Lab (Type 8)
- ▶ Retail
  - ▶ Type 10 (single and multiple locations)
- ▶ Distribution
  - ▶ Type 11 - Distribution (3<sup>rd</sup> Party)
  - ▶ Type 12 - Transport Only

## Local





**DRAFT MAP**  
 City of Commerce, CA  
 FOR INTERNAL  
 DISCUSSION  
 Participating Cities

- AVALON
- BALDWIN PARK
- BELL
- BELLFLOWER
- CARSON
- CUDAHY
- CULVER CITY
- EL MONTE
- HUNTINGTON PARK
- LANCASTER
- LONG BEACH
- LOS ANGELES
- LYNWOOD
- MALIBU
- MAYWOOD
- MONTEBELLO
- SANTA MONICA
- WEST HOLLYWOOD
- Not Participating
- Unincorporated Territory
- ★ City of Commerce

**NOTES**

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DISCLAIMER:  
 Constituting Systems, Inc. ("CSI") has prepared this map for informational purposes only. CSI is not responsible for any errors or omissions in this map. The map is provided as a guide only and should not be used as a legal document. The map is not intended to be used for any purpose other than informational. The map is not intended to be used for any purpose other than informational. The map is not intended to be used for any purpose other than informational.

# LA COUNTY CITIES/AREAS CURRENTLY REGULATING AT LEAST ONE CANNABIS LICENSE CLASSIFICATION

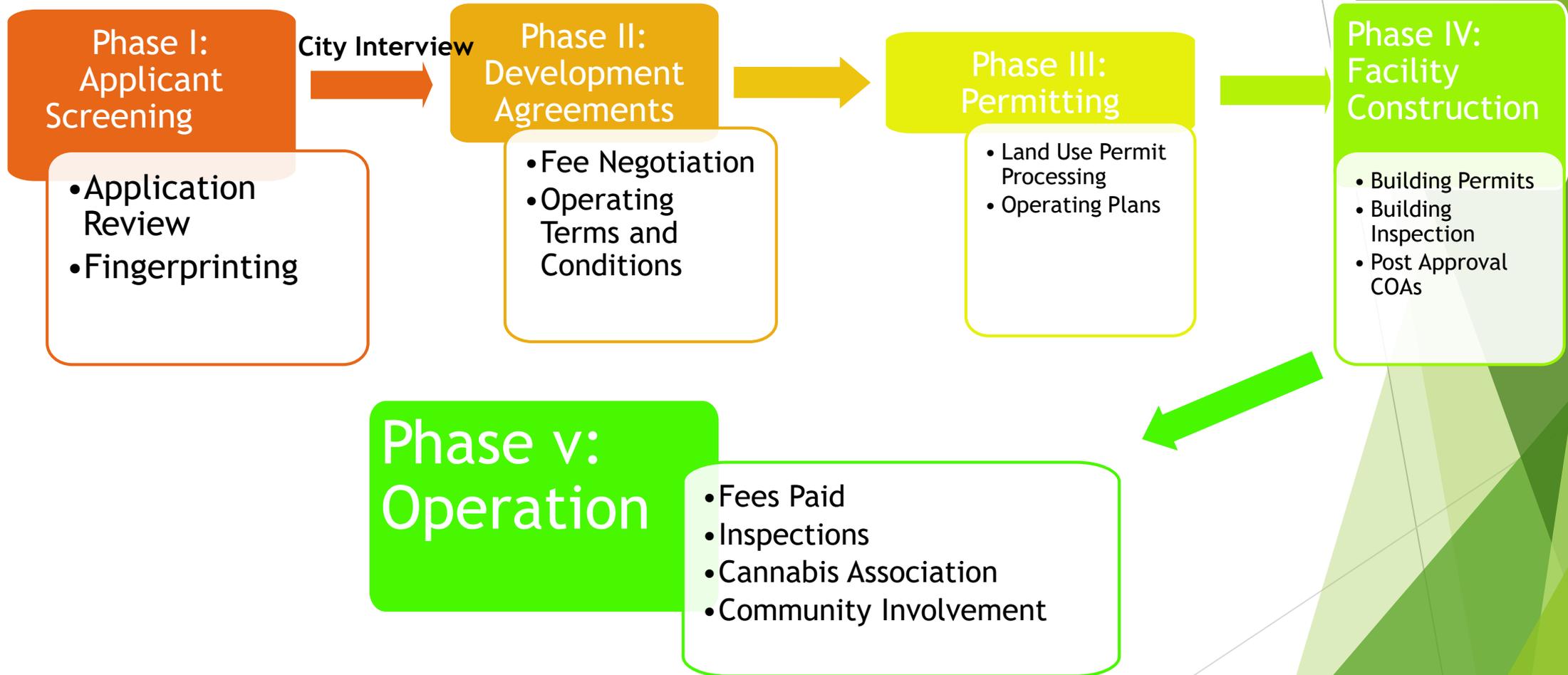
# LA County Cities Currently Regulating At Least One Cannabis License Classification

- Avalon
- Baldwin Park
- Bell
- Bellflower
- Carson
- Cudahy
- Culver City
- El Monte
- Huntington Park
- Los Angeles
- Lynwood
- Malibu
- Maywood
- Montebello
- Santa Monica
- West Hollywood

# Application Process

Effectively Regulating the Local Industry

# Permitting Process Options



# Conclusion

Questions?