

## ***Pre-Regulation Workshop Survey***

The Department of Food and Agriculture's Medical Cannabis Cultivation Program (Program) is preparing to undertake rulemaking to implement the requirements of the Medical Cannabis Regulation and Safety Act (MCRSA). The purpose of this document is to outline the Program's immediate regulatory goals and to solicit specific input on how best to accomplish these goals. The Program will be accepting comments on this outline until September 30, 2016. Please see the end of this document for information regarding comment submission.

### ***Regulatory Goal #1***

#### *DEFINE TERMS USED IN CANNABIS CULTIVATION*

The Program will need to define terms not defined by the MCRSA such as canopy, flowering, immature, mixed light cultivation, premises and propagate to ensure regulations are implemented uniformly across the state. What do these terms mean to you?

### ***Regulatory Goal #2***

#### *DEFINE THE APPLICATION PROCESS AND REQUIREMENTS FOR LICENSING*

- The Program is considering using an online application process, as well as a traditional paper method. Which application method would you prefer?
- The Program is considering a weapons and firearm ban at cultivation sites to protect State enforcement staff. How will that affect you?
- The Program is planning to charge a non-refundable application processing fee to cover resources required to review the application components. In order to determine the application fee, the Program will need good estimates on how many cultivation applications are expected. How many applications do you anticipate submitting?

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### **Regulatory Goal #3**

*IDENTIFY THE CULTIVATOR LICENSE TYPES BY LIGHT SOURCE AND SITE SIZE; CLARIFY ALLOWABLE LICENSE COMBINATIONS; OUTLINE RENEWAL PROCESS AND SET LICENSING FEES*

- Licensees are prohibited from obtaining licenses from more than two license categories. For example, a licensed manufacturer of cannabis products may also hold a cultivator license, but would not be allowed to then obtain a dispensary license. Additionally, the Program is considering issuing the same applicant several cultivator licenses as long as the total canopy does not exceed four acres. What is the acreage you feel is reasonable for the cap? How about for indoor and mixed light? How will this impact your business model? When does a cultivator also need a manufacturing license? Are joints, dry sieving, and water concentrating a form of manufacturing or within the scope of cultivation?
- The Program is required to fully cover its operational costs through licensing and application fees. The Program anticipates analyzing and updating the licensing fees frequently as the industry changes over the next several years. What size cultivation site(s) do you anticipate applying for initially? How many separately licensed cultivation sites would you like to apply for?
- The Program is responsible for establishing the amount of artificial light units considered reasonable for a mixed light/light deprivation cultivation sites. What do you think is a reasonable amount of lighting to be used and still be considered a mixed light cultivation site?
- The Program is required to limit the number of Type 3 (largest license type) licenses issued. What method do you consider fair for establishing these limits?

### **Regulatory Goal #4**

*SPECIFY REQUIREMENTS TO MITIGATE ENVIRONMENTAL HEALTH AND PUBLIC SAFETY ISSUES*

- The Program will require licensees to enter into a compliance agreement to reduce environmental impacts. How do you currently address potential environmental impacts at a cultivation site? Do you conduct targeted pesticide use? Do you use optimal watering times? Do you recycle water and/or cultivation materials?
- The compliance agreement will also require the licensee to have specific security measures in place. How do you currently secure your cultivation site? Alarm system? Fencing? Security guard?
- The Program will also have specific requirements for cannabis nurseries. Do you sell plants to a dispensary for sale to patients? Or do you sell plants to cultivators for flower production? How much research and development goes on at a nursery site? Do you regularly propagate from seed?

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### **Regulatory Goal #5**

#### *OUTLINE CULTIVATOR RESPONSIBILITIES FOR COMPLIANCE INSPECTION*

- The Program will specify when licensees must make their site available for inspection and require that the cultivation site be safe for inspection. What measures do you currently take to make your site safe for inspection?
- The Program will require retention of specific records and that they be made available upon request. What type of records do you currently retain?

### **Regulatory Goal #6**

#### *SPECIFY TRACK AND TRACE REQUIREMENTS*

Licensees will be required to provide the Program with information about the movement of cannabis. This information will be used to protect the public if there is a safety or health concern, to ensure legally grown product does not get diverted, to ensure illegal product does not end up in the regulated marketplace, and to prioritize inspections by Program inspectors and law enforcement. What is the current flow of cultivation at your site? At what points in the cultivation process do you think movement tracking would be valuable (planting, moving from veg area to flowering area, harvest, etc.)? The Program anticipates this will be different for indoor vs outdoor cultivation.

### **Regulatory Goal #7**

#### *STATE LICENSE VIOLATIONS AND APPROPRIATE PENALTIES*

The Program will inspect licensed cultivation sites to ensure compliance with license requirements. If an inspection reveals non-compliance or a local authority informs the Program of a non-compliance issue, the Program will proceed with an investigation. If the investigation determines that a violation occurred, the Program can revoke a license and/or may assess fines. What would a reasonable time-frame for conducting a hearing regarding a violation? The Program will also be defining minor, moderate and serious violations and corresponding penalties. What type of license violation would you consider minor? Moderate? Serious?



CALIFORNIA DEPARTMENT OF  
FOOD & AGRICULTURE



## ***Comment Submission***

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*The Program strongly encourages comments be submitted by September 30, 2016. Comments submitted at a later date for developing draft regulations will be considered as time permits.*

*Cannabis is a Schedule I drug pursuant to the Controlled Substance Act 21 U.S.C. § 812. Activity related to cannabis use is subject to federal prosecution, regardless of the protections provided by state law.*