

Key proposals in the draft regulations

The Department of Cannabis Control (DCC) released proposed regulations on March 4, 2022. The proposed regulations include changes that are in effect as emergency regulations from the fall as well as additional changes to streamline and strengthen the regulatory framework. Below is a summary of these additional changes. To learn more about these proposals and the rulemaking process, visit cannabis.ca.gov/resources/rulemaking.

Cultivation

- Allows nurseries to designate immature plants, seeds, and propagated material as trade samples
- Allows recording of harvest weight to be entered as a total weight for the harvest batch rather than as a weight for each individual plant
- Removes requirement for cultivators to provide a minimum of two hours of operation between 8:00am and 5:00pm on each day, Monday through Friday
- Prohibits cultivation activities from occurring in the living areas of private residential structures (6-month grace period for compliance)
- Prohibits personal cultivation activities from occurring within the boundaries of the licensed premises (6-month grace period for compliance)

Distribution

- Removes requirement for distributors to carry a printed copy of the Certificate of Analysis during transport
- Allows cannabis goods held for storage to be distributed directly from the premises where they are being stored
- Clarifies that distributors do not have to be the sole owner or lessor of the vehicle used for transport
- Allows distributors to use up to three sides of the vehicle for the secured area that holds cannabis goods

Manufacturing

- Removes requirement that cannabis beverages be packaged in opaque bottles
- Clarifies the type of vegetable oils that can be used in tinctures



- Clarifies requirements for closed-loop extraction systems, and requires identification of the systems on the premises diagram

Retail

- Increases the maximum value of cannabis goods that delivery drivers can carry to \$10,000, and removes limits on carrying cannabis goods that have not yet been ordered
- Allows storefront retailers to continue curbside pickup beyond the end of the pandemic
- Allows consumption lounges to sell prepackaged non-alcoholic food and beverages if allowed by the local jurisdiction

Testing Laboratories

- Clarifies that testing labs can test non-cannabis goods, and requires separate records to be kept
- Incorporates clarifications and prohibitions about conflicts of interest that may jeopardize the independence of testing laboratories

Events

- Allows cannabis goods to be displayed by all participating licensees
- Removes requirement for retail employees to be identified prior to the event
- Requires non-retail cannabis licensees and non-cannabis vendors to be disclosed prior to the event

Cannabis products

- Limits ingredients that can be used in inhaled cannabis products to cannabis, cannabis concentrate, botanically-derived terpenes, and ingredients designated as “inactive ingredients” for inhalation by the FDA
- Prohibits products that would otherwise be classified as medical devices or over-the-counter drugs, such as nasal sprays, eye drops, inhalers, and injectables
- Removes caffeine from list of prohibited additives

Labeling, marketing and advertising

- Adds requirements for using Appellations of Origin in labeling and marketing, and requires licensees to submit a Notice of Use within 30 days of using an appellation
- Specifies requirements for labeling of bulk goods, including disclosure of ingredients and allergens

- Allows the universal symbol included on labels to be in black or white

Licensing and license applications

- Reincorporates requirement to provide a copy of the signature page of the Labor Peace Agreement, if the business has entered into one
- Simplifies application requirements related to disclosure of operating requirements
- Removes requirement for premises diagrams to be in black and white
- Simplifies license modifications by designating changes that require only notification to DCC versus pre-approval

Other

- Allows returns between licensees
- Allows shipping containers and other modular structures to be used
- Allows Notices to Comply to be served via email

The Department of Cannabis Control (DCC) licenses and regulates commercial cannabis activity within California. To learn more about the California cannabis market, state licenses or laws, visit cannabis.ca.gov.

