

Cannabis 101

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Overview

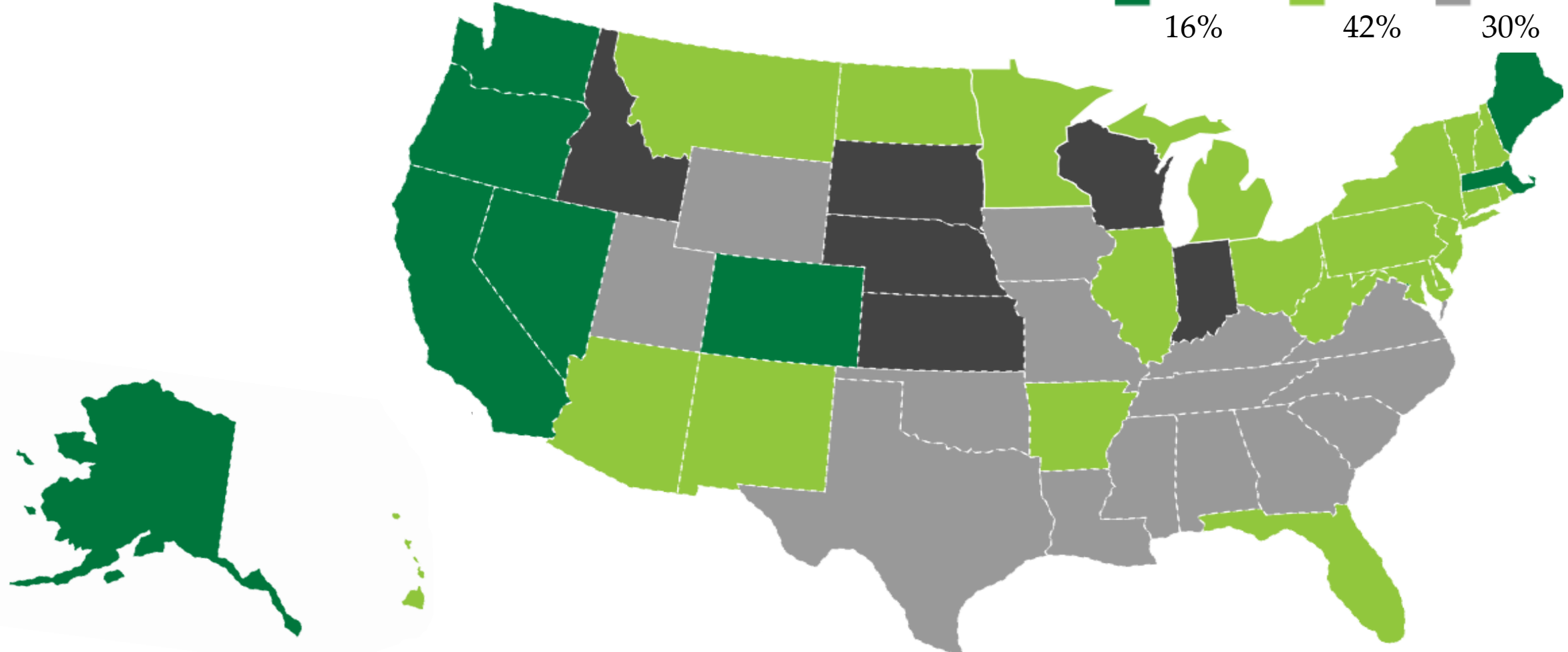
- What is the Federal climate related to Cannabis?
- What makes California's law unique, compared to other states?
- What Departments are involved in Cannabis regulation?
- What is the status of California's implementation?

Federal Regulation

- Unlike alcohol, federal cannabis industry regulation does not exist.
- The federal Controlled Substances Act (CSA) prohibits the manufacturing, distributing, dispensing or possession of certain controlled substances, including marijuana and marijuana-based items.
- Regardless of state laws that have legalized recreational or medical sales, cannabis remains as a Schedule 1 controlled substance.
- The federal CSA is enforced by U.S. Department of Justice.
- Through 2017, a federal budget act, prohibits DOJ from using federal funds to take enforcement actions against medical operations/users under a State regulated program (*medical cannabis only*).

State-By-State Overview

■ Adult-Use 16% ■ Medical 42% ■ Limited 30%



Cannabis Regulation in California

- Timeline:

Oct 2015 SB643, AB266 & AB242 approve Medicinal Sales	Nov 2016 Voters approve Prop 64 Adult-use sales	Jul 2017 SB94 & AB133 approved to create one system	Dec 2017 Emergency Cannabis Regulations effective	Jan 2018 Temporary licenses are active	Spring 2018 Development of permanent regulations begins
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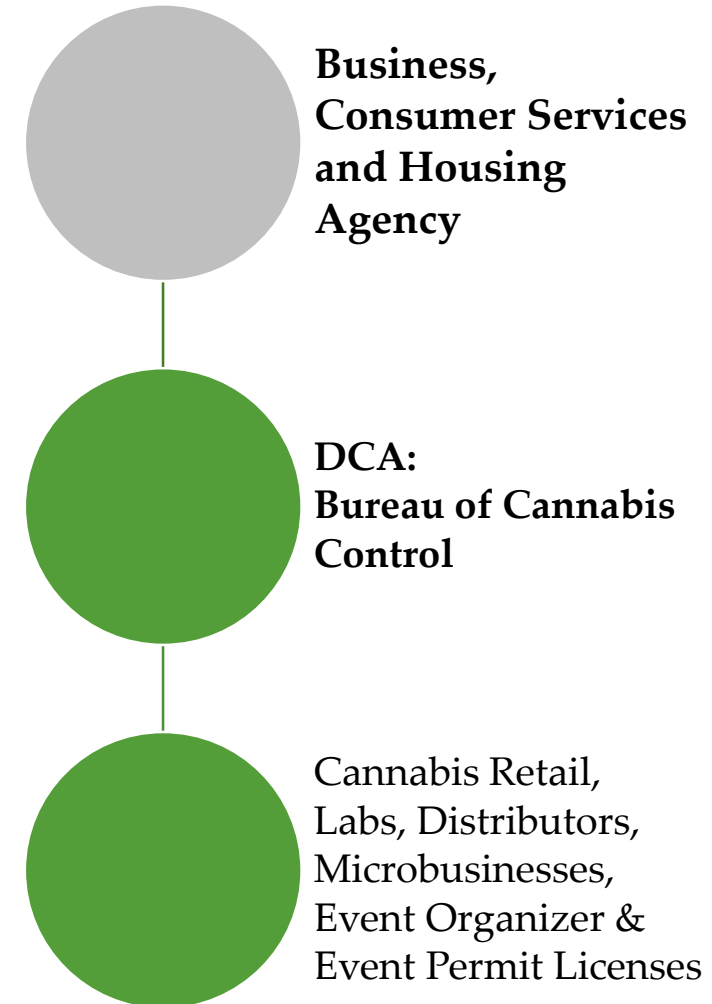
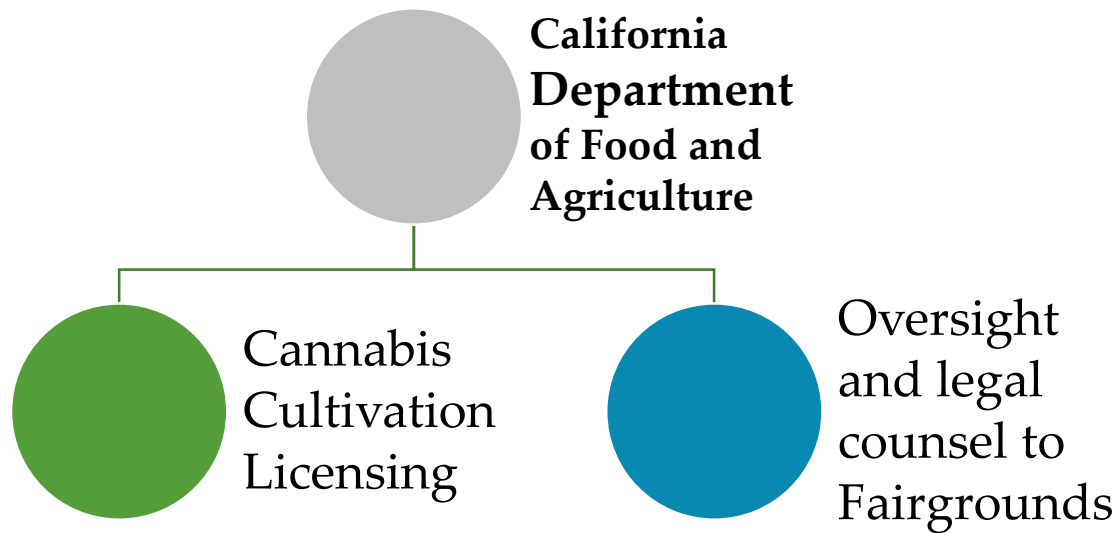
- Highlights that make California law unique:

- Dual licensing system – cannot issue license if in conflict with local ordinance
- Vertical Integration Allowed (except for Lab Testing)
- Temporary license issuance
- Event organizer & permit system

Key Statutory Provisions – State Law

- Prevent youth access to cannabis and prohibit marketing cannabis to children
- All cannabis businesses are geographically bound to a licensed location
- Cannabis can only be sold by a licensed Retailer or Microbusiness
- Proximity ban – 1,000' of a school or youth center while children are present
- Recreational use of cannabis is prohibited for persons less than 21 years of age
- Smoking is prohibited in public

Who are we?



Overview of Licensing Authorities

Who Does What

Bureau

BUREAU OF CANNABIS CONTROL

Housed within the **Department of Consumer Affairs**, the bureau licenses testing labs, distributors, dispensaries, and microbusinesses.

CalCannabis

CALCANNABIS CULTIVATION LICENSING

Housed within the **Department of Food and Agriculture**, CalCannabis licenses cannabis cultivators and establishes a track-and-trace system.

MCSB

MANUFACTURED CANNABIS SAFETY BRANCH

Housed within the **Department of Public Health**, MCSB licenses manufacturers of cannabis products, such as edibles.

Distribution Phase



CULTIVATION

CalCannabis



MANUFACTURING

MCSB



DISTRIBUTION

Bureau



TESTING

Bureau



DISPENSARY

Bureau



MICROBUSINESS

Bureau

Regulating Program

This graphic illustrates the movement of cannabis and cannabis products through the three state agencies responsible for regulating cannabis.

Road to Jan 1

- Recap of activities:
 - Creating new state government infrastructure
 - Three state regulatory entities working collaboratively
 - Regulation drafting goals: balance and flexibility
 - Creating licensing and Track & Trace information technology systems
- Local jurisdictions at various points, in process of creating ordinances
- Just the beginning!

CDFA Guidelines for Fairs

- How were the Guidelines developed?
- What should DAA's consider in policy development?
- What conversations should a DAA have before an agreement with a vendor?
- What are CDFA recommendations for approved events?
- What are insurance requirements?

Guidelines

Applicability:

- To be utilized by the DAAs
- Other fairs – non-DAAs, county, citrus fruit and CalExpo may utilize the Guidelines but should consult with their legal counsel
- If any questions regarding the Guidelines – CDFA can assist

DAA Policy Development

- CDFA recommends that each DAA develop a policy regarding cannabis events
- Does the Board want to allow cannabis events on the fairgrounds?
- The policy should be discussed at a public board meeting
- Considerations:
 - Community input
 - DAA proximity to schools and other areas deemed sensitive
 - CDFA Cannabis Event Guidelines
 - Relationship of CHP and local law enforcement
 - Others, as determined by the DAA

DAA Policy Development, cont'd

- If the Board determines that it will allow cannabis events, the policy should include:
 - Whether medical and/or adult use events will be allowed, and the basis for any prohibition
 - Will medical use be allowed in designated areas?
 - Whether sales will be allowed (state temporary event license required – B&P 26200(e))
 - Whether the CEO will be given the authority to contract with prior Board approval
- Once the Board has adopted a policy, CDFA Legal can assist with drafting standard terms and conditions for rental agreements, as well as review the contract prior to execution

Pre Agreement Discussions with Vendor

- What is purpose of the event (i.e., adult use; medical; both)?
- How will the vendor enforce age restrictions?
- What are the proposed event's activities?
- If a medical area is designated, where will it be located?
- What is the vendor's security plan?
- Will law enforcement be needed?
- Expected attendance of the event?
- Expected duration of the event; hours of operation?
- Will the vendor ensure no cannabis remnants remain after event?
- References?
- Others?

Samples & Donations

- Retailer licenses are geographically bound, and do not authorize sellers to conduct business outside of the location indicated on the license.
- Samples/donations by licensed cannabis businesses are prohibited.

Insurance Requirements

- For insurance related purposes, Cannabis events are considered a hazardous activity.
- All Cannabis events require \$2M of coverage.
- Insurance policies are required to be reviewed and approved by CFSA prior to the event.
- Consult with CFSA or DGS-ORIM prior to signing an event contract to ensure insurance requirements are adhered to.

Cannabis Event Regulations

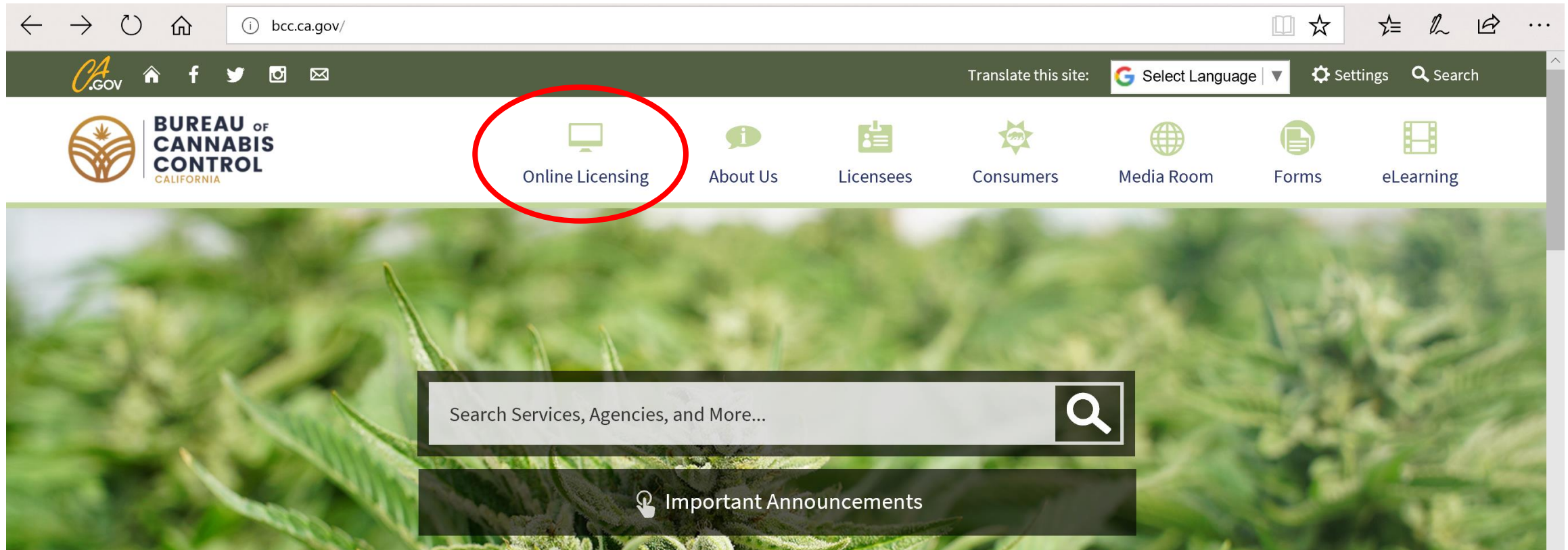
- What does it take to become a “cannabis event organizer”?
- How do I check a cannabis event organizer license?
- What rules apply to cannabis events?
- What is required to host a cannabis event?
- Where are forms located?

Event Organizer Applicants

- Must comply with majority of general regulations (Title 16, Division 42, Chapter 1)
 - Financial interest restrictions
 - Background check
 - Record retention
- Fee for licensure
- Bureau can revoke a license for non-compliance

How to check a license?

- Go to the Bureau's website: www.bcc.a.gov



How to check a license? Cont'd

- Search “Cannabis – Event Organizer License”

The screenshot displays the Bureau of Cannabis Control Online Services website. The top navigation bar includes the CA.GOV logo, social media icons, and links for BCC, Cannabis Portal, and eLearning. Below this, a secondary navigation bar features icons for Home, Apply, Register, License Search (circled in red), and File a Complaint. The main content area has a green leaf background with buttons for Login and Announcements. At the bottom, there are three large icons: Register, License Search (circled in red), and File a Complaint.

On the right side, a 'General Search' form is shown. It includes fields for License #, License Type, License Status, Start Date, End Date, Street No., Direction, City, County, and Country. The License Type dropdown menu is open, showing a list of license types, with 'Cannabis - Event Organizer License' highlighted in blue. Below the form are 'Search' and 'Clear' buttons.

Event Regulation – Highlights

- **CA Code of Regs, Title 16, Chapter 42, Sections 5600–5603**
- A temporary cannabis license will only be issued to a person who holds an event organizer license issued by the Bureau
- Event license **max is four days**
- Event **application required 60 days before** the first day of the event
- Event Organizer responsible for ensuring all Retailers are licensed, in good standing – **final list of Retailers required 5 days before event**

Event Regulation – Local Approval

- **Written approval from local jurisdiction** authorizing sales and onsite consumption by persons over 21 years of age – § 5601(d)(8)
- **All requirements for onsite cannabis consumption** imposed by the relevant local jurisdiction shall be followed – § 5603(e)

Temporary Event Permit Application

BCC-LIC-010 (Rev. 12/17) State of California
 California Department of Consumer Affairs Edmund G. Brown Jr., Governor
Bureau of Cannabis Control
 www.bcc.ca.gov

TEMPORARY CANNABIS EVENT LICENSE APPLICATION APPLICATION FEE \$1000 (NON-REFUNDABLE)

If list of licensees participating in the event changes, final list must be submitted to the Bureau no less than 5 days before the event.
 To pay the application fee by cash, contact the Bureau to schedule an appointment.

SECTION A - APPLICANT INFORMATION

1. Event Organizer Name

Event Organizer License Number

SECTION B - PRIMARY CONTACT PERSON

2. Name Title Email Address

Address City State Zip Code Phone Number

SECTION C - EVENT INFORMATION

3. Name of the Event

Address of the County Fair or District Agricultural Association of the Event City State Zip Code

Dates of the Event (no more than 4 days)

SECTION D - REQUIRED ATTACHMENTS/DOCUMENTS

- Diagram of the physical layout of the event.
- Written approval from the local jurisdiction authorizing the applicant to engage in onsite cannabis sales to, and onsite consumption by, persons 21 years of age or older at the event.
- A list of all licensees that will be providing onsite sales of cannabis goods at the event.

AFFIRMATION AND CONSENT

Under penalty of perjury, I hereby declare that the information contained within and submitted with the application is complete, true, and accurate. I understand that a misrepresentation of fact is cause for rejection of this application, denial of a license, or revocation of a license issued.

Applicant Signature Printed Name Date Signed

Office Use Only
 CLEaR Application Record Number:

EVENT DIAGRAM

Instructions:

The diagram of the physical layout of the event. The diagram shall clearly indicate where the cannabis event will be taking place on the grounds of the event's location, all cannabis consumption areas, all areas where cannabis goods will be sold, and the specific location of each cannabis licensee who will be participating in the event. The diagram shall not contain highlighting and the markings on the diagram shall be in black and white print.

Business Name of Licensed Event Organizer Event Organizer's License Number

Event location address City State ZIP Nearest Cross Street

Diagram

Diagram area with a grid of dots for drawing the physical layout of the event.

Applicant Signature Date Signed

BCC Use Only (Signature/Certified Correct) Printed Name Inspection Date

Premise Diagram Requirements

- Place on the grounds of the event's location
- All cannabis consumption areas
- All areas where cannabis goods will be sold
- Specific location of each cannabis licensee who will be participating in the event
- List of all licensees providing onsite sales of cannabis goods at the event

Event Sales

- All sales and consumption limited to 21 years and older
- All sales must be performed by a Retailer (or microbusiness)
- Many general commercial activity regulations apply:
 - Daily sales limits
 - Laboratory testing of cannabis products
 - Product labeling
 - Track-and-Trace requirements
 - Transportation to the site must be by a licensed Distributor
- Alcohol sales prohibited

Cannabis Event Forms

- <http://bcc.ca.gov/clear/forms.html>

Cannabis Event Organizer

- ▶ [Temporary Cannabis Event Organizer License Application](#)
- ▶ [Instructions for Completing the Cannabis Event Organizer License Application](#)
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- ▶ [Instructions for Completing the Temporary Cannabis Event License Application](#)
- ▶ [Temporary Cannabis Event License Application](#)
- ▶ [Event Diagram](#)
- ▶ [Temporary Cannabis Event License Application_Attachment - List of Licensees](#)

Specific Event Questions?

Bureau of Cannabis Control

bcc@dca.ca.gov

Resources

- US Map of Cannabis Legalization by State - <https://thecannabisindustry.org/state-marijuana-policies-map/>
- MAURCSA law, regulation text & fact sheets - http://bcc.ca.gov/law_regs/index.html
- California Cannabis Event Regulations – Ch.5 (page 66-72) - http://bcc.ca.gov/law_regs/bcc_prop_text_reg.pdf
- CDPH – Let's Talk Cannabis - <https://www.cdph.ca.gov/Programs/DO/letstalkcannabis/Pages/LetsTalkCannabis.aspx>
- Factsheet: What is legal for adult use? - <https://www.cdph.ca.gov/Programs/DO/letstalkcannabis/CDPH%20Document%20Library/October%202017%20Update/CDPH-Legal.pdf>