

State of California
Department of Cannabis Control
California Code of Regulations, Title 4, Division 19

Proposed Regulation Text:

Commercial Cannabis Cultivation Updates; Minimum Sanitation Standards

Notice is hereby given that the Department of Cannabis Control (Department) proposes to adopt the amended regulations described below after considering all comments, objections, and recommendations regarding the proposed action.

Public Hearing

The Department will hold a virtual public hearing on **Tuesday, April 29, 2025**, beginning at **10:00 a.m.**

Attendees may participate via WebEx online meeting platform or telephone conferencing. To participate via WebEx online meeting platform, please contact Randy Allen at (916) 465-9025 or Randy.Allen@cannabis.ca.gov by 4:30 p.m. on Monday, April 28, 2025, to request a link to the meeting. A link to the meeting will also be posted on the Department's website no later than 9:00 a.m. the day of the hearing.

For those who wish to attend the hearing in person, including those who require reasonable accommodations, limited seating will be available in the Department Hearing Room, 2920 Kilgore Road, Rancho Cordova, CA 95670. Attendees must comply with all COVID-19 safety protocols. Please contact Randy Allen at (916) 465-9025 or Randy.Allen@cannabis.ca.gov by 4:30 p.m. on Monday, April 28, 2025, to request to attend the hearing in person or by 4:30 p.m. on Tuesday, April 15, 2025, if reasonable accommodations are necessary.

Participants will be given instructions on how to provide oral comment once they have accessed the hearing. The hearing will proceed on the dates noted above until all testimony is submitted or 1:00 p.m., whichever is later. At the hearing, any person may present oral or written statements or arguments relevant to the proposed action. The Department requests, but does not require, that persons who make oral comments at the hearing also submit a written copy of their testimony via email.

Written Comment Period

Any interested person, or their authorized representative, may submit written comments relevant to the proposed regulatory action by mail or email to:

Department of Cannabis Control
Legal Affairs Division

2920 Kilgore Road
Rancho Cordova, CA 95670
E-mail: publiccomment@cannabis.ca.gov

The written comment period closes on **Monday, April 28, 2025**. To be considered by the Department, a comment must be received by **April 28, 2025**.

Authority

Business and Professions Code sections 26013 and 26130.

Reference

Business and Professions Code sections 26010, 26011.5, 26012, 26013, 26031, 26039.6, 26050, 26051.5, 26053, 26060, 26061, 26066, 26067, 26069, 26070, 26130, 26160, 26161, and 26200.

Informative Digest / Policy Statement Overview

Summary of Existing Laws and Effect of the Proposed Action

The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) (Bus. & Prof. Code, § 26000 et seq.) generally governs commercial cannabis activity in California. The provisions of California Code of Regulations (CCR), title 4, division 19 further implement, interpret, and make specific many MAUCRSA statutes. These existing laws define commercial cannabis terms, establish initial and renewal licensing requirements for all commercial cannabis license types, establish the California Cannabis Track and Trace (CCTT) system and impose specific use requirements on all licensees, provide for temporary cannabis events, and require manufacturers of cannabis goods to follow good manufacturing practices and comply with various additional sanitation standards. Some existing laws apply only to commercial cannabis cultivation license holders (i.e., cultivators, processors, and nurseries); these include general requirements, licensing limitations, site requirements, environmental protection measures, and pesticide use requirements.

The changes proposed in this rulemaking action would revise existing, defined terms and phrases, remove a number of superfluous, redundant, or expired provisions, and relocate a handful of existing requirements. The proposed changes would remove certain renewable energy and diesel generator compliance and reporting requirements applicable to cultivators. The proposed changes would revise and clarify CCTT instructions and requirements regarding harvest batches. The proposed changes would remove requirements to create, maintain, and make certain attestations regarding a Pest Management Plan. The proposed changes would extend the length of time for which a temporary cannabis event license remains valid. Finally, the proposed changes

would impose new sanitation standards on all licensees performing certain identified commercial cannabis activities.

Evaluation of Inconsistency with Federal Laws

The United States Drug Enforcement Administration under the Controlled Substances Act lists cannabis as a Schedule 1 Drug. This means that commercial cannabis activity is illegal under federal law. However, California, through the MAUCRSA and other laws, has decriminalized the cultivation, sale, and possession of cannabis goods for persons aged 21 or older and for medicinal patients.

Objectives and Anticipated Benefits of the Proposed Regulations

One objective of these proposed regulations is to mitigate confusion and uncertainty in the commercial cannabis industry and facilitate consistent interpretation of the law by, and application of the law to, all those directly affected. Another objective is to streamline existing requirements, including removal of unnecessarily duplicative or burdensome mandates, to ease the burdens of compliance and enforcement. Another objective is to prevent diversion and inversion of cannabis by ensuring that all relevant commercial cannabis activity is recorded in CCTT. Further objectives are to address increasing cases of contamination and adulteration of cannabis goods and reduce associated expenditures of resources pursuing embargoes and recalls of those goods, resulting from unsanitary growing, harvesting, processing, and manufacturing practices. Each of these objectives contributes to protection of the public, which is the Department's highest priority.

Evaluation of Inconsistency/Incompatibility with Existing State Regulations

After careful evaluation, the Department has determined that the proposed changes are not inconsistent or incompatible with existing regulations.

Disclosures Regarding the Proposed Action

The Department has made the following initial determinations:

- Mandate on local agencies or school districts: None.
- Cost or savings to any state agency: The Department may realize minor cost savings due to reduced administrative workload (elimination of pest management plans, electricity reporting, and carbon offset purchase verification) and reduced inspection workload (accuracy of pest management plans). These savings are anticipated to be offset by minor increases in inspection workload related to sanitation standards. Overall fiscal impact on the Department is anticipated to be neutral. The proposed regulations are not expected to have any fiscal impact on any other state agencies.

- Cost to any local agency or school district required to be reimbursed in accordance with Government Code sections 17500 through 17630: None.
- Other nondiscretionary cost or savings imposed upon local agencies: None.
- Cost or savings in federal funding to the state: None.
- Significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states: None.
- Cost impacts on a representative private person or business: Most commercial cannabis businesses will incur minor annual costs as a result of the proposed regulations. These estimated costs range from approximately \$1800 to approximately \$4200 annually, based on the license type and business size. However, some indoor cultivation licensees may realize savings of up to approximately \$800 annually.
- Effect on housing costs: None.

Results of the Economic Impact Assessment

The Department concludes that the proposal is unlikely to create any jobs, create any new businesses, eliminate any existing businesses, or result in the expansion of businesses currently doing business in the state. The Department believes approximately 17 jobs may be eliminated as a result of these proposed changes. The Department believes the proposed sanitation standards will directly improve the health and welfare of California residents by improving the quality of cannabis goods being sold at retail, and will also indirectly benefit worker safety, as handwashing, glove use, and other prudent cleaning and sanitizing practices are known to lessen disease transmission and exposure. Further, the Department believes that allowing the transfer of propagation materials from non-nursery cultivators to nurseries will help the licensed market become more competitive with the unlicensed market. To the extent that unlicensed cannabis operations cause negative environmental impacts as well as other social costs, the proposed regulations would indirectly benefit California's environment.

Determination of Effect on Small Business

The proposed regulations would affect approximately 3,200 businesses, approximately 90 percent of which are estimated by the Department to be small businesses. These businesses include cultivation licensees of all lighting types and sizes, processor licensees, nursery licensees, and microbusiness licensees conducting cultivation activities.

Consideration of Alternatives

In accordance with Government Code section 11346.5, subdivision (a)(13), the Department must determine that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, as effective and less burdensome to affected private persons than the proposed action, or more cost-effective to affected private persons and equally effective in implementing the statutory policies or other provisions of law.

Contact Persons

Inquiries concerning the proposed rulemaking action may be directed to:

Nicole Niermeyer
Department of Cannabis Control
2920 Kilgore Road
Rancho Cordova, CA 95670
916-465-9025
Regulations@cannabis.ca.gov

The backup contact person for these inquiries is:

Kaila Fayne
Department of Cannabis Control
2920 Kilgore Road
Rancho Cordova, CA 95670
916-251-4544
Kaila.Fayne@cannabis.ca.gov

Availability of Statement of Reasons, Text of Proposed Regulations, and Rulemaking File

The Department will make the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of the Notice of Proposed Action, the proposed text of the regulations, the Initial Statement of Reasons, and the STD. 399. Please direct requests to inspect or copy the rulemaking file to the contact person(s) listed above.

Availability of Changed or Modified Text

After considering all timely and relevant comments received, the Department may adopt the proposed regulations substantially as described in this notice. If the Department makes modifications that are sufficiently related to the originally proposed text, it will

make the modified text (with the changes clearly indicated) available to the public for at least 15 days before adopting the regulations as revised. Please direct requests for copies of any modified regulations to the contact person(s) listed above. The Department will accept written comments on the modified regulations for the duration of the period of public availability.

Availability of The Final Statement of Reasons

Upon its completion, the Department will make copies of the Final Statement of Reasons available. Please direct requests for copies to the contact person(s) listed above.

Availability of Documents on the Internet

Copies of the Notice of Proposed Action, the Initial Statement or Reasons, and the text of the regulations with modifications highlighted, as well as the Final Statement of Reasons, when completed, and modified text and notices thereof, if any, may be accessed via the Department's website at <https://www.cannabis.ca.gov/cannabis-laws/rulemaking/>.