

Resolution
of the
Bureau of Cannabis Control
as a
Lead Agency under the
California Environmental Quality Act
(Pub. Resources Code, § 21000 et seq.)
regarding the
Commercial Cannabis Business Licensing Program

Approving the Negative Declaration

SCH # 2017092017

November 2017

INTRODUCTION

The Bureau of Cannabis Control (Bureau) is drafting regulations to implement the requirements of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). Under MAUCRSA, a single regulatory system will govern the cannabis industry in California. The Bureau is charged with the licensing, regulation, and enforcement of various commercial cannabis businesses, including distributors, retailers, testing laboratories, and microbusinesses and will begin issuing licenses on January 1, 2018. The Bureau's adoption and implementation of regulations for these licenses, referred to herein as the commercial cannabis business licensing program, is the Proposed Program.

The overall goal of the Proposed Program is to establish a regulatory licensing and enforcement program for commercial cannabis activities. The Proposed Program will ensure that medicinal and adult-use commercial cannabis activities are performed in a manner that avoids significant adverse impacts on the environment, cannabis industry workers, and the general public from the individual and cumulative effects of these commercial cannabis activities, and complies with applicable laws, including MAUCRSA.

In meeting these goals, the Proposed Program has the following objectives:

- Create a comprehensive and coherent regulatory framework for an established industry that has not been regulated by the State;
- Establish minimum licensing requirements for commercial cannabis distributors, retailers, testing laboratories, and microbusinesses;
- Ensure that medicinal and adult-use cannabis is tested for quality, including the presence and amounts of mold, contaminants, and pesticides, prior to retail sale;
- Prescribe standards for the reporting of the movement of cannabis and cannabis products throughout the distribution chain (a "track-and-trace" system) and information related to the movement of cannabis and cannabis products for the different stages of commercial cannabis activity, including, but not limited to distribution, retail sale, laboratory testing, and microbusinesses; and
- Ensure a regulatory structure that prevents access to cannabis by persons without a physician's recommendation or who are under 21 years of age; protects public safety, public health, and the environment; and maintains local control.

The Bureau prepared an Initial Study/Negative Declaration (IS/ND) to provide a transparent and comprehensive evaluation of the Proposed Program. The Bureau has prepared this resolution to comply with the California Environmental Quality Act (CEQA) (Pub. Resources Code § 21000 et seq.) and the *Guidelines for the Implementation of CEQA* (Cal. Code Regs., tit. 14, § 15000 et seq.; hereafter Guidelines.). The Bureau is a "lead agency" under CEQA.

INITIAL STUDY/NEGATIVE DECLARATION AND PUBLIC REVIEW

On September 6, 2017, the Bureau issued a Notice of Intent (NOI) to adopt a negative declaration to provide agencies and the public with formal notification that the IS and proposed ND was available for review. The NOI was sent to all responsible and trustee agencies, any person or organization requesting a copy, and all 58 county clerks' offices for posting. A legal notice was also published in a number of general-circulation newspapers. The Bureau also submitted the NOI and a Notice of Completion (NOC) to the State Clearinghouse.

Publication of the NOI initiated a 30-day public review period, during which the Bureau received and collated public and agency comments on the Proposed Program and the IS/ND. The Bureau hosted three public meetings around the state after release of the IS/ND, in Long Beach, Fresno, and Sacramento. The purpose of public circulation and the public meetings is to provide public agencies, other stakeholders, and interested individuals with opportunities to comment on the contents of the IS/ND.

The Bureau received 50 comments during the public review process, 47 of which related to the IS/ND. The Bureau prepared a memorandum containing the comments and written responses to each comment. Based on the comments provided, the Bureau has identified no new environmental effects that are not assessed. The memorandum prepared after the public review period merely clarifies, amplifies, or makes insignificant modifications. None of the issues raised during the comment period trigger the need to recirculate the IS/ND pursuant to the requirements of Guidelines section 15073.5.

APPROVAL OF NEGATIVE DECLARATION

The Bureau's Chief hereby finds and declares that she has independently reviewed, analyzed, and considered the ND together with all information in the administrative record (including the initial study and comments received) and, based on the foregoing, finds that all environmental impacts of the Proposed Program are below a level of significance and there is no substantial evidence supporting a fair argument that the Project will have a significant effect on the environment. The Chief finds that the ND is an accurate and objective statement that fully complies with CEQA and the Guidelines and that the ND reflects the independent judgment and analysis of the Bureau. The Chief further finds and declares that considering the record as whole, that no new significant impacts as defined by Guidelines section 15073.5 have been identified after circulation of the ND and that recirculation of the ND is, therefore, not required. On behalf of the Bureau, the Chief approves the ND.

APPROVAL OF PROJECT

The Chief finds that the approval and implementation of the Proposed Program is necessary to fulfill the mandates and duties of the Bureau to protect public health, safety and welfare. Based on the entire record before the Bureau, including all written and oral evidence presented to the Bureau, the Chief hereby approves the Proposed Program.

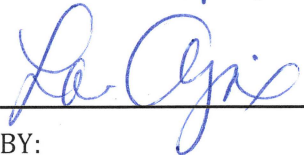
CUSTODIAN OF DOCUMENTS

As required by Guidelines section 15074, the public agency shall specify the location and custodian of the documents or other material which constitute the record of proceedings upon which its decision is based. Ashlynn Blackshire is the custodian of the records of the proceedings on which this decision is based. Records are retained at the Bureau offices located at 1625 North Market Boulevard, Suite S-202, Sacramento, CA 95834.

DIRECTION TO STAFF

In accordance with Guidelines section 15096, the Chief directs Bureau staff to prepare and file a Notice of Determination with the Office of Planning and Research as soon as practicable and no later than five (5) working days after the date of Proposed Program approval as set forth immediately below.

ADOPTED this 4 day of November 2017.



BY: