



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE



Donations of Cannabis and Cannabis Product

Beginning March 1, 2020, cannabis retailers may provide free cannabis or cannabis products to qualified medicinal patients or their primary caregivers. This change is due to the adoption of [Senate Bill 34](#), which also exempts these donated items from excise, sales and use, and cultivation taxes.

Licensed cultivators, manufacturers, distributors, retailers or microbusinesses may designate cannabis or cannabis products that they hold in their inventory for donation. Items designated for donation may only be provided to a medicinal patient or primary caregiver through a licensed retailer.

Key Requirements for Donations:

- Cannabis and cannabis products designated for donation must comply with all requirements outlined in MAUCRSA and the state cannabis regulations. This includes, but is not limited to:
 - Donated cannabis and cannabis products must move through the licensed supply chain in the same way as cannabis and cannabis products for sale and meet all applicable requirements for cultivation, manufacturing, distribution, laboratory testing, packaging and labeling, etc.;
 - Cannabis and cannabis products that do not pass the required regulatory compliance testing cannot be donated; and
 - Only licensees authorized for retail activity, or nonprofits working in conjunction with those licensed retailers, may provide donated product directly to qualified medicinal consumers.
- Licensees designating an item for donation are required to record that designation in Track-and-Trace and on invoices and sales receipts.
- Licensees cannot change the donation designation made by another licensee or after the donated item has been transported to another licensee. Any licensee that changes a donation designation will be liable for sales and use taxes on the items and may be subject to disciplinary action.
- Manufacturers producing cannabis products for donation must include the statement “FOR MEDICINAL USE ONLY” on the label.

Special Requirements for Retailers

- Donated items may only be provided to medicinal cannabis patients, or primary caregivers, with a valid recommendation or medical marijuana identification card under Section 11362.7 of the Health and Safety Code.



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- Before providing free cannabis goods to a medicinal patient that does not possess a valid identification card, a retailer must:
 - Verify with the Medical Board of California, the Osteopathic Medical Board of California, and the California Board of Podiatric Medicine that the attending physician providing the patient's medicinal cannabis recommendation has a license in good standing to practice medicine or osteopathy in the state of California;
 - Keep a copy of the patient's or primary caregiver's driver license or other government issued identification; and
 - Prepare a written certification that the retailer verified the physician's recommendation as required.
- A licensee authorized to engage in retail sales only through delivery may provide free cannabis goods only by delivery.
- A licensee authorized to engage in retail sales on a licensed premises open to the public may contract with an individual or organization to coordinate the provision of free cannabis goods on the licensee's retail premises. A licensee may be held responsible for violations of applicable statutory and regulatory requirements by the individual or organization with whom the licensee has contracted pursuant to this subsection.
- The donated cannabis and cannabis products provided to a medicinal cannabis patient or the patient's primary caregiver shall be applied toward the daily purchase limit for a medicinal cannabis customer contained in section 5409 of the Bureau's regulations and the possession limits contained in Section 11362.77 of the Health and Safety Code.

Designating Packages for Donation in Track-and-Trace

All items intended for donation must be marked as such in Track-and-Trace. A bulletin with step-by-step instructions for designating new or existing packages of cannabis, cannabis products, and immature plants and for entering retail donations these items has been posted in the California Cannabis Track-and-Trace system. Licensees can log into their Metrc account and find this bulletin under the Messages tab (appears as an envelope in the top left corner).

For questions about designating donations within the Track-and-Trace system, please contact the Metrc Support Desk: support@metrc.com.