

## Cannabis Advisory Committee Adopted Recommendations

Recommendation	Recommendation Title and Language	Adopted by Committee	Status
Cultivators – Recommendation #1	<p><b>Generator Hour Meters:</b> Amend section 8306(d) [of Cal. Code Regulations, Title 3] to allow after-market non-resettable hour meters be installed, if feasible.</p>	March 15, 2018	<p><b>Addressed in the proposed regulations.</b> Proposed CDFA regulations specify that after-market non-resettable hour meters can be installed.</p>
Cultivators – Recommendation #2	<p><b>Outdoor Cultivation Definition:</b> The definition of outdoor cultivation should allow the use of light deprivation techniques.</p> <p><i>Recommendation was amended from original statement to remove language regarding crop cycles.</i></p>	March 15, 2018	<p><b>Addressed in the proposed regulations.</b> Proposed CDFA regulations provide a definition for light deprivation and clarify that any use of light deprivation requires a mixed light cultivation license.</p>
Cultivators – Recommendation #6	<p><b>Transfer Between A and M Licenses:</b> Recognizing that the existing system of keeping adult-use and medicinal use separate places a great financial, planning and efficiency burden on cultivators, potentially affecting the supply chain, recommend allowing cultivated materials to be transferred between A and M license types until the point of sale.</p>	March 15, 2018	<p><b>Addressed in the current emergency regulations.</b></p>
Cultivators – Recommendation #7	<p><b>Compassionate Use Programs:</b> Language should be developed to create a cultivation-based tax incentive for products being set aside for compassionate use programs.</p>	March 15, 2018	<p><b>Not addressed in the proposed regulations.</b></p>

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Cultivators – Recommendation #11	<b>Self-Transport Distribution:</b> Create a mechanism for cultivators to conduct self-transport distribution of their own product to a centralized processing facility, manufacturing facility, distributor or a lab for pre-testing, without the same requirements of the existing transportation license—including BCC regulation section 5044 and 5047—by either amending the existing transportation distribution license or creating a new license type.	March 15, 2018	<b>Not addressed in the current emergency or proposed regulations.</b>
Distributors – Recommendation #1	<b>Selling Samples:</b> The Bureau should address how, if at all, licensees may provide samples for a nominal fee for B to B and B to C situations.	March 15, 2018	<b>Not addressed in the current emergency or proposed regulations.</b> The Bureau of Cannabis Control (Bureau) does not require cannabis goods be sold at a specific price.
Distributors – Recommendation #2	<b>Additional Label:</b> In addition to all the rights and responsibilities afforded to a licensee regarding packaging and labeling, how a distributor would also be allowed to apply additional label to the final product, if the final product’s test results are inconsistent with the existing printed results. Variations within 10% range excluded.	March 15, 2018	<b>Addressed in the current emergency regulations.</b> The Bureau regulations specify that a distributor may re-label cannabis goods to correct inconsistencies between labeled cannabinoids and terpenoids and laboratory testing results.

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Distributors – Recommendation #3	<b>Storage Only Center License:</b> Create a subcategory license, under the distribution license, designated as storage only center that’s allowed to hold inventory and transport product. The transaction portion would remain under the full distribution license holder.	March 15, 2018	<b>Not addressed in the current emergency or proposed regulations.</b>
Distributors – Recommendation #4	<b>Transition Period Extension:</b> Extend the transition period from 6 months to 12 months to allow transactions between A and M license.	March 15, 2018	<b>Addressed in the current emergency regulations.</b> The transition period has not been extended beyond June 30, 2018. However, the Bureau regulations remove the date restriction and specify that licensees may engage in commercial cannabis business with other licensees regardless of their medicinal or adult-use designation indefinitely.
Enforcement – Recommendation #1	<b>Enforcement Authority:</b> The Bureau should 1) clearly identify the enforcement authority regarding advertisement placement; 2) clearly communicate who the enforcement authority is and how to contact them with complaints; 3) collect data on enforcement actions; and 4) require all advertisements have information regarding the license holder placing the advertisement.	March 15, 2018	<b>Not a regulatory recommendation.</b> By statute, advertisements are required to contain the license number of the licensee and the Bureau has the authority to take enforcement action against its licensees related to advertising. The Bureau’s website provides information on filing a complaint and the Bureau tracks its enforcement actions.
Enforcement – Recommendation #2	<b>Clarify Difference Between Citations and Orders of Abatement and Clarify References:</b> The Bureau should 1) clarify an order of abatement versus a citation; 2) clean up language and clarify its process and procedural guidelines within the regulations, reference, and citation sections.	March 15, 2018	<b>Addressed in the current emergency regulations.</b> The Bureau’s regulations include additional language to provide additional clarity.

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Enforcement – Recommendation #6	<b>Advertising:</b> The Bureau should 1) clarify rules and provide direction regarding what type and where advertising is allowed; 2) collect data on when and where advertising rules were violated and if the violation was targeted to minors.	March 15, 2018	<b>Addressed in the current emergency regulations.</b> The Bureau’s regulations include additional language to provide additional clarity.
Enforcement – Recommendation #8	<b>Public Records Act Requests:</b> The Bureau should include language in regards to sharing information between the Bureau and local government entities that acknowledge the information shared is in accordance with the public requests act and protects information that is not discoverable under the public information requests act.	March 15, 2018	<b>Not addressed in the current emergency or proposed regulations.</b> The laws pertaining to the Public Records Act and privacy apply even if not specifically included in Bureau’s regulations.
Enforcement – Recommendation #9	<b>Labor Standards:</b> All licensing authorities are required to include violations of labor standards as part of the licensing process and enforcement, which shall include revocation of the license.  <i>Recommendation was to make mandatory requirement.</i>	March 15, 2018	<b>Addressed in the proposed regulations.</b> The Bureau’s proposed regulations require applicants to disclose violations of labor standards as part of the licensing process.
Equity – Recommendation #1	<b>State Level Equity Licensing Program:</b> The Bureau and the state licensing authorities should develop a state-level equity licensing program that supports the local equity licensing programs that have been developed and supports equity applicants from jurisdictions where programs have not been developed.	March 15, 2018	<b>Not addressed in the current emergency or proposed regulations.</b>

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Equity – Recommendation #2	<b>Earmarks, Fee Waivers, and Loans:</b> Consider providing earmarks from tax revenue for equity programs, licensing fee waivers, and possible loans and/or low interest loan programs to allow for the payment of licensing fees at a later date for applicants that have already been approved for extensions at the city-level. Use transparent, voluntary information and data collection regarding equity applicants, such as applicant’s race, to drive policy decisions.	March 15, 2018	<b>Not a regulatory recommendation.</b> Development of financial assistance programs with use of tax revenue would require statutory change.
Equity – Recommendation #3	<b>Fee Installments and Deferrals:</b> Include an option to pay fees in installments or defer fees for social equity applicants. Modify the regulations to allow a license to be issued, contingent on continued payment of the fee if in installments.	March 15, 2018	<b>Not addressed in the current emergency or proposed regulations.</b>
Equity – Recommendation #4	<b>Research Support:</b> All types of funding and bidding processes are considered by the state to acquire funds to cover the cost of research on diversity issues in the cannabis industry.	March 15, 2018	<b>Addressed in the proposed regulations.</b> The Bureau’s regulations specify the requirements for applying for and receiving research funding for public universities under Revenue and Taxation Code Section 34019.

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Equity – Recommendation #5	<p><b>Access to Property and Premises:</b> As part of a social equity program, the three licensing authorities to the extent allowed by statute, should explore access for equity applicants to property and premises. This could include working with local licensing programs to allow annual licensees to sublease a portion of their licensed premises to an equity applicant; allowing co-location or shared premises by equity applicants; developing pre-licensing programs for equity applicants; and, to the extent possible, creating incentives and protections for property owners to lease to equity applicants.</p>	March 15, 2018	<p><b>Not addressed in the current emergency or proposed regulations.</b></p>
Equity – Recommendation #6	<p><b>Data Collection:</b> Strongly urge the state licensing authorities to voluntarily and anonymously collect demographic and other data (e.g. prior convictions, veteran status, etc.) to determine equity in licensing and explore options for making the data available to the public. Create a data use policy that characterizes the quality of the data collected.</p>	March 15, 2018	<p><b>Not addressed in the current emergency or proposed regulations.</b> By law, when collecting data, the licensing authorities must follow all laws related to the type of information collected.</p>
Equity – Recommendation #7	<p><b>Funding of a Social Equity Program:</b> The three licensing entities should develop a social equity program that takes into consideration the work that the local licensing authorities have done in this area and consider developing a mechanism to prioritize the funding and the costs of developing a social equity program.</p>	March 15, 2018	<p><b>Not addressed in the current emergency or proposed regulations.</b></p>

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Equity – Recommendation #8	<b>Local Program Models:</b> In the development of a state equity program, information, processes, and models from existing equity programs in Sacramento, Los Angeles, San Francisco, and Oakland should be examined and utilized. This information should be used to support the development of a state-adopted policy statement that embraces a statewide equity program.	March 15, 2018	<b>Not addressed in the current emergency or proposed regulations.</b>
Licensing Application – Recommendation #2	<b>Disclosure of Owners:</b> Require an applicant for an annual license who lists any corporation or other entity as an owner, to also disclose the names of the owner(s) of the corporation or other entity.	May 17, 2018	<b>Addressed in the current emergency regulations.</b> The Bureau’s regulations specify that when a business entity owns at least 20% of an applicant, the CEO and members of the board of directors are also required to be listed as owners.
Licensing Application – Recommendation #4	<b>Annual Fees:</b> The licensing authorities should evaluate the amount of annual fees, especially fees paid by people with disabilities, military veterans, locally licensed equity applicants, and nonprofit compassion programs.	May 17, 2018	<b>Not a regulatory recommendation.</b> The Bureau has and continues to evaluate what fees will be paid by licensees.
Licensing Application – Recommendation #5	<b>A and M Licenses and Transition Period:</b> Combine application and annual renewal fees for A and M licensees conducting the same business activities at the same licensed premises and to extend the grace period until January 1, 2020 under Section 5029 subdivision (b)(1).	May 17, 2018	<b>Addressed in the current emergency regulations.</b> The Bureau’s regulations specify that a license may be designated as medicinal, adult-use or both. Licensees have the option of adding a new designation to an existing license.

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Licensing Application – Recommendation #6	<b>Use of Preparers:</b> Allow the use of preparers to assist applicant in preparing applications.	May 17, 2018	<b>Not addressed in the current emergency or proposed regulations.</b> An owner must submit the application and verify its accuracy; however, the owner is not prohibited from seeking guidance and assistance from experts.
Manufacturers – Recommendation #1	<b>Illustrative Guide:</b> Create an illustrative guide for packaging and labeling broken down by the components of packaging and labeling.	May 17, 2018	<b>Not a regulatory recommendation.</b> CDPH has released packaging and labeling checklists to assist licensees in meeting the requirements. These can be found <a href="#">here</a> .
Manufacturers – Recommendation #2	<b>Clarification on Packaging:</b> Provide clarification on the concepts of primary packaging, secondary packaging, and child-resistant packaging (with respect to primary v. secondary) and labeling.	May 17, 2018	<b>Addressed in the proposed regulations.</b> Proposed Bureau and CDPH regulations specify that child-resistant packaging requirements can be fulfilled through the use of a child-resistant exit package. CDPH released a <a href="#">packaging checklist</a> to guide licensees on the current requirements.
Manufacturers – Recommendation #3	<b>Child-Resistant Packaging:</b> Clarify how and where child-resistant packaging should be used.	May 17, 2018	<b>Addressed in the proposed regulations.</b> Proposed Bureau and CDPH regulations specify that child-resistant packaging requirements can be fulfilled through the use of a child-resistant exit package. To address the current requirements, CDPH released a <a href="#">CRP checklist</a> to assist licensees.



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Manufacturers – Recommendation #4	<b>Dosage Limits:</b> Increase the limitation on dosage from 2,000 mg to 4,000 mg for any non-edible medical product that is not restricted by statute; and raise the dosage limitation from 1,000 mg to 2,000 mg for non-edible adult use products.	May 17, 2018	<b>Not addressed in the proposed regulations.</b>
Microbusiness – Recommendation #2	<b>License Tiers, Incentives for Compassionate Use and Rural Operators, and Fee Schedule Cap:</b> In an effort to create an onramp to legalization, there should be a clarification of microbusiness that includes tiers based on gross receipts and number of employees. The fee schedule should be redefined to include a ceiling that delineates when the business is no longer considered a microbusiness. Incentives should be provided based on equity for compassionate use and rural operators.	May 17, 2018	<b>Not addressed in the current emergency or proposed regulations.</b>
Public Health and Youth – Recommendation #1	<b>Proper Identification Training:</b> The Bureau should include in its regulations an employee-training requirement on proper identification verification to prevent sale of cannabis and cannabis products to youth at the point of sale or upon delivery of product.	March 15, 2018	<b>Not addressed in the current emergency or proposed regulations.</b>

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Public Health and Youth – Recommendation #2	<p><b>Compassionate Medical Cannabis:</b> All regulatory agencies should create a special state and local licensing processes for those providing free compassionate medical cannabis that is exempt from fees and taxes. This change should be incorporated in the emergency rules and be promulgated as soon as possible to implement this motion. The motion includes all noncommercial cannabis activity. No state identification card requirement should be included.</p> <p><i>Recommendation amended from original to add language stating no state identification card requirement.</i></p>	March 15, 2018	<b>Not addressed in the current emergency or proposed regulations.</b>
Public Health and Youth – Recommendation #3	<p><b>Branded Vehicles:</b> The Bureau should study whether branded vehicles fall under existing advertising restrictions.</p>	March 15, 2018	<b>Not a regulatory recommendation.</b> The Bureau has and continues to evaluate what constitutes and advertisement and is subject to the advertising restrictions.
Public Health and Youth – Recommendation #4	<p><b>Health Claim Advertising:</b> Adult-use cannabis should not be allowed to make unsubstantiated health claims in advertising.</p>	March 15, 2018	<b>Not addressed in the current emergency or proposed regulations.</b> By statute, a licensee may not publish or disseminate any advertising containing a health-related statement that is untrue or creates a misleading impression as to the effects on health of cannabis consumption.

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Public Health and Youth – Recommendation #5	<b>Data Collection:</b> The Bureau should collect data and report yearly on youth and adult cannabis use and overuse; ER visits and treatment episodes; DUI and poison control calls related to cannabis.	March 15, 2018	<b>Not addressed in the current emergency or proposed regulations.</b>
Public Health and Youth – Recommendation #6	<b>Advertising to Age Specific Audience:</b> The Bureau of Cannabis Control should amend Title 16, California Code of Regulations, Section 5040(a) to read as follows: Any advertising or marketing placed in broadcast, cable, radio, print, and digital communication shall only be displayed where at least 85% of the audience is reasonable expected to be 21 years of age or older, as determined by reliable up-to-date audience composition data.	March 15, 2018	<b>Not a regulatory recommendation.</b> The 71.6 % currently in the regulations is provided in statute. The Bureau does not have authority to change this requirement.
Public Health and Youth – Recommendation #7	<b>Compassionate Care Program:</b> The full advisory committee should recommend to seek a legislative fix for the compassionate care program.	March 15, 2018	<b>Not a regulatory recommendation.</b>
Retailers – Recommendation #1	<b>Methods of Delivery:</b> Clarify and simplify methods of delivery. Increase flexibility regarding vehicles and hours, consider increasing the value amounts that can be carried at one time. Clarification on the delivery receipt that eliminates the need for an address instead uses the state license number on the delivery receipt. Flexibility in allowing local government to allow changes in hours of operation if they so choose.	March 15, 2018	Clarify and simplify methods of delivery - <b>Addressed in the current emergency regulations.</b> The Bureau’s regulations now contain additional language to further clarify delivery requirements.  Consider increasing the value amounts to that can be carried at one time - <b>Addressed in the current emergency regulations.</b> The Bureau’s regulations allow delivery employees to carry up to \$10,000 worth of cannabis goods while conducting delivery.

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			Increase flexibility regarding vehicles and hours; clarification on the delivery receipt that eliminates the need for an address and instead uses the state license number on the delivery receipt; flexibility in allowing local government to allow changes in hours of operation if they so choose. – <b>Not addressed in current emergency or proposed regulations.</b>
Testing Laboratories – Recommendation #1	<b>Testing for Research and Development:</b> Regulations should allow for licensed laboratories to accept materials from any licensed entity that is part of the supply chain for research and development, without a requirement to report the results.	March 15, 2018	<b>Not addressed in the current emergency or proposed regulations.</b>
Testing Laboratories – Recommendation #2	<b>Expiration Date:</b> Regulations should clarify that the testing results are valid on a finished manufactured cannabis product until the expiration date of the finished product, as determined by the manufacturer. The expiration date must be supported by in-house or third-party data.	March 15, 2018	<b>Not addressed in the current emergency or proposed regulations.</b> Although there is no requirement that test results expire, retailers may not sell cannabis goods that have exceeded the expiration or sell-by date if one is provided.
Testing Laboratories – Recommendation #3	<b>Standard Testing Analytical Methodology:</b> The Bureau should incorporate standard testing analytical methodology in final regulations.  <i>Adopted with edits to this original recommendation.</i>	March 15, 2018	<b>Not addressed in the current emergency or proposed regulations.</b>

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Testing Laboratories – Recommendation #4	<b>Waste Disposal:</b> The Bureau should revisit cannabis waste disposal from testing laboratories.	March 15, 2018	<b>Not addressed in the current emergency or proposed regulations.</b>