

## **INSTRUCTIONS FOR COMPLETING THE CANNABIS TESTING LABORATORY APPLICATION**

### **SECTION A – APPLICANT/BUSINESS INFORMATION**

**Testing Laboratory:** A laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products.

#### **Business Organizational Structure**

All applicants are required to identify their business organizational structure. (See Required Attachments)

#### **Business Contact Information**

If an individual, the first and last name of the applicant must be provided. If the applicant is a business entity, then the full legal business name is required. The applicant business name must be identical to the name listed on the business-formation documents submitted to the Bureau. The applicant must provide the physical address of the premises, and the mailing address if it is different. The applicant must also provide the business website address, email address, and telephone number.

#### **Social Security Number/Individual Taxpayer Identification Number/ Federal Employer Identification Number**

Each applicant must provide a valid United States Social Security Number (SSN), Individual Taxpayer Identification Number (ITIN), or a Federal Employer Identification Number (FEIN), before an application can be approved.

### **SECTION B – PRIMARY CONTACT PERSON**

The primary contact is the individual who is designated as the person the licensing authorities can contact for information regarding the business. The applicant must provide the primary contact's name, title, telephone number, and email address.

Please be advised that the primary contact person for this license application will be designated as the licensee's initial track and trace system manager, and is required to register for training for using the California Cannabis Track and Trace (CCTT) system within 10 business days of submitting your annual application. If the primary contact person anticipates delegating the primary responsibility for updating and maintaining the licensee's cannabis distribution chain information in the CCTT system (post-licensure) to another licensee, employee or owner, that individual should also be registered to attend the required training. To register for CCTT system training please access the following URL: <https://www.metro.com/california>

### **SECTION C – DECLARATIONS**

#### **Premises Location**

Applicants shall attest that the premises is not located within a 600-foot radius of a school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center that is in existence at the time the license is issued or shall provide evidence that the local jurisdiction has approved a different radius. (See Required Attachments).

#### **Limited Waiver of Sovereign Immunity**

If the applicant is a federally recognized tribe or other sovereign entity, a limited waiver is required. (See Required Attachments)

#### **Compliance with the California Environmental Quality Act**

All applicants shall provide evidence of compliance with, or exemption from, the California Environmental Quality Act (CEQA). (See Required Attachments)

#### **Labor Peace Agreement**

If the business has 20 or more non-supervisory employees, the applicant must attest that they have entered or will enter into a labor peace agreement and will abide by its terms as soon as reasonable practicable after licensure. (See Required Attachments)

#### **Priority Licensing/Compliance with the Compassionate Use Act of 1996**

Applicants may request priority licensing if they have operated in compliance with the Compassionate Use Act of 1996 and its implementing laws before September 1, 2016. (See Required Attachments)

## **ISO/ IEC Accreditation**

Applicants seeking licensure as a Testing Laboratory must attest that they currently have, or are in the process of obtaining International Organization for Standardization (ISO)/ International Electrotechnical Commission (IEC) accreditation.

## **SECTION D – LIST OF OWNERS**

An owner is defined as a person with an aggregate ownership interest in the commercial cannabis business of 20 percent or more, unless the interest is solely a security, lien or encumbrance. An owner includes:

- A person with an aggregate ownership of 20 percent or more in the person applying for a license or a licensee, unless the interest is solely a security, lien or encumbrance.
- The chief executive officer (CEO) of a nonprofit or other entity (i.e. corporation)
- A member of the board of directors of a nonprofit.
- The trustee(s) and all persons who have control of the trust and/or the commercial cannabis business that is held by a trust.
- An individual who will be participating in the direction, control, or management of the person applying for a license. This could include:
  - A partner of a commercial cannabis business that is organized as a partnership.
  - A non-member manager or managing partner of a commercial cannabis business that is organized as a limited liability company.
  - An officer or director of a commercial cannabis business that is organized as a corporation.
- Any individual that assumes responsibility for the license.
- When an entity has an aggregate ownership interest of 20 percent or more, the CEO and/or members of the board of directors of the entity shall be considered owners.

Each owner must complete an Owner Submittal form and must electronically submit fingerprint images to the Department of Justice (DOJ). The applicant must use the live scan form provided by the Bureau. Live Scan locations can be found at: <https://oag.ca.gov/fingerprints/locations>

## **SECTION E – ENTITY OWNERSHIP**

An entity is anything other than an individual. If an entity is an owner of the commercial cannabis business pursuant to Business and Professions Code section 26001(al), the applicant must provide the entity's name, organizational structure, ownership percentage, telephone number, and email address.

## **SECTION F – NON-OWNERS WITH A FINANCIAL INTEREST IN THE BUSINESS**

The applicant must provide a list of all non-owner individuals with a financial interest in the cannabis business. A financial interest means an agreement to receive a portion of the profits of a commercial cannabis business, an investment into a cannabis business, a loan provided to a cannabis business, or any other equity in a cannabis business. Interest in a diversified mutual fund, blind trust or similar instrument is not a financial interest. The applicant must provide the following information for all non-owners with a financial interest: their name, date of birth, type of government issued identification form, and the identification number.

## **SECTION G – FICTITIOUS BUSINESS NAMES**

The applicant must provide a list of all fictitious business names they will operate under and the address of the businesses.

## **SECTION H – LICENSING FEE DETERMINATION**

In determining the appropriate license fee to be charged, each applicant must provide an estimate of the maximum dollar value of its planned operation in terms of the value of the product expected to be tested, distributed, transported, retailed, cultivated and/or manufactured as determined in assessing the 15% excise tax. The maximum dollar value of its planned operation must be used to determine the appropriate fee.

## **SECTION I – REQUIRED ATTACHMENTS/DOCUMENTS**

### **Evidence of Legal Right to Occupy**

If the applicant owns the property, a copy of title or deed must be provided. If the applicant does not own the property, a statement from the property owner that the applicant has the legal right to occupy the property to perform commercial cannabis activities and a copy of the applicant's rental agreement must be provided.

### **Premises Diagram - [http://bcc.ca.gov/clear/premises\\_diagram.pdf](http://bcc.ca.gov/clear/premises_diagram.pdf)**

Applicants are required to provide a diagram of the premises, which must be drawn to scale and clearly identify the following:

- Boundaries of the property. If only a portion of the property is used for the cannabis business, the applicant must label the other areas and state what they are being used for.
- If the premises is located on only a portion of the property that includes a residence, the diagram shall clearly show the designation of the buildings for the premises and the residence.
- Dimensions of all rooms and the premises.
- Entrances, exits and walls under exclusive control of the applicant as well as designated entrances and exits for each additional premises. The diagram shall also show all common or shared areas of the property; lobbies, hallways, bathrooms, and breakrooms.
- Interior partitions, windows, and doors.
- Description of cannabis activity that will be conducted in each area of the premises. Commercial cannabis activities that must be identified on the diagram may include the following, if applicable to business operations; storage, batch sampling, loading/unloading of shipments, packaging and labeling, customer sales, loading for deliveries, extractions, cultivation, or processing.
- Limited access areas.
- Numbering and location of all cameras.

### **Business Formation Documents**

Applicants are required to provide a copy of all business formation documents (by type). If the business is held in a trust, the applicant shall provide a copy of the trust. Below is a list of the types of business structure and the common types of supporting documentation:

- **Sole Proprietorship:** Fictitious Business Name form filed with local business permit office and tax forms.
- **Corporation:** Articles of Incorporation, Statement of Information, Certificates of Stock and a Statement and Designation by Foreign Professional Corporation (if applicable).
- **Limited Liability Company:** Articles of Organization, Membership Certificate and Operating Agreement.
- **Limited Partnership:** Certificate of Limited Partnership, Partnership Agreement, Operating Agreement and tax forms.
- **General Partnership:** Partnership agreement, Statement of Partnership Authority and tax forms.
- **Limited Liability Partnership:** Partnership Agreements, Application to Register as a Limited Liability Partnership.
- **Foreign Corporation:** Certificate of Qualification issued by the Secretary of State.

### **Limited Waiver of Sovereign Immunity**

If an applicant can assert a defense of sovereign immunity, the applicant must submit a written limited waiver of sovereign immunity to the Bureau with any license application or renewal, which must be valid for the period of the license. The written waiver must include they will abide by all state laws, rules, and regulations governing commercial cannabis activity. The applicant must provide proof they have the lawful authority to enter into the waiver and the waiver must be signed and dated by the authorized person.

### **California Environment Quality Act (CEQA) Compliance**

All applicants shall provide evidence of exemption from, or compliance with Division 13 of the Public Resources Code; California Environmental Quality Act (CEQA). The evidence provided shall be one of the following:

- A copy of the applicant's license, permit or other authorization from the local jurisdiction if the local jurisdiction has adopted an ordinance, rule, or regulation pursuant to Business and Professions Code section 26055(h) that requires discretionary review and approval of permits, licenses, or other authorizations to engage in commercial cannabis activity.
- A copy of the Notice of Determination or Notice of Exemption and a copy of the CEQA document. If the applicant does not wish to provide a copy of the license, permit, or other authorization provided by the local jurisdiction or if the jurisdiction has not adopted an ordinance, rule or regulation pursuant to Business and Professions Code section 26055(h) that requires discretionary review and approval of permits, licenses, or other authorization to engage in commercial cannabis activity, the applicant may provide reference to where it can be located electronically.
- If an applicant does not have the evidence required above, or if the local jurisdiction did not prepare a CEQA document, the applicant will be responsible for the preparation of an environmental document in compliance with CEQA that can be approved or certified by the Bureau, unless the Bureau specifies otherwise.

### **Labor Peace Agreement**

If the applicant has more than 20 employees, they must attest that they have entered into a labor peace agreement and will abide by the terms. For applicants who have not yet entered into a labor peace agreement, the applicant shall provide a notarized statement indicating the applicant will enter into a labor peace agreement and abide by the terms of the labor peace agreement as soon as reasonably practicable after licensure.

### **Financial Information Form - [http://bcc.ca.gov/clear/financial\\_information\\_form.pdf](http://bcc.ca.gov/clear/financial_information_form.pdf)**

Applicants are required to provide a list of all investments, loans, funds, and gifts associated with the cannabis business.

### **Surety Bond - [http://bcc.ca.gov/clear/licensee\\_bond.pdf](http://bcc.ca.gov/clear/licensee_bond.pdf)**

The applicant must hold a \$5,000 surety bond payable to the State of California. The surety bond is to cover the destruction of cannabis and cannabis goods if necessitated by a violation of the licensing requirements. The bond must be executed on the Bureau's Commercial Cannabis Licensee Bond form.

### **Required Operating Procedures for all License Types - <http://bcc.ca.gov/clear/forms.html>**

- **Transportation Procedures:**  
Describes how the applicant proposes to ensure cannabis is transported securely. If the applicant will not transport cannabis they must state that they will be contracting for transportation.
- **Inventory Procedures:**  
Describes how the applicant will receive shipments of cannabis, store its cannabis inventory, perform inventory reconciliation, ensure inventory records are accurate, and maintain records of the inventory.
- **Quality Control Procedures:**  
Describes how the applicant will prevent the deterioration of cannabis goods, ensure that cannabis goods are properly packaged and labeled, and how they will ensure the product was tested by a licensed Testing Laboratory.
- **Security Procedures:**  
Describes the applicant's procedures for allowing individuals access to the premises. Describes the applicant's video surveillance system, which includes camera placement and maintenance of the video surveillance equipment. Describes how all access points will be secure, including the use of security personnel and a description of the applicant's alarm system.
- **Waste Management Procedures:**  
Describes the applicant's procedures for handling cannabis waste and details on whether they will be using a local agency, a waste hauler (permitted by a local agency), or self-hauling the cannabis waste to a solid waste facility. Must also describe the process for composting waste on the premises (if applicable) and how they will ensure restricted access to cannabis waste.

### **Compliance with the Compassionate Use Act**

To be eligible for priority licensing, an applicant must provide evidence that it operated in compliance with the Compassionate Use Act of 1996 and its implementing laws before September 1, 2016. If the applicant is not on a list provided to the Bureau pursuant to Business and Professions Code section 26054.2, the applicant must provide a signed document from the local jurisdiction that contains the following: name of the applicant, address of the premises to be licensed, type of license, name of the office of the local jurisdiction that is responsible for enforcing the compliance with the Compassionate Use Act, name and contact information for the person authorized to sign by the local jurisdiction on its behalf. The document must also include a statement to the effect of: "The above-named party is currently conducting commercial cannabis activity in the jurisdiction and has been operating in compliance with the Compassionate Use Act of 1996 before September 1, 2016".

### **Additional Required Documents Specific to License Type**

#### **Testing Laboratory:**

- **ISO/IEC 17025 Accreditation:** Testing laboratories must obtain and maintain ISO/IEC 17025 accreditation. Acceptable accreditation must attest to the testing laboratory's competence to perform testing of the following:
  - Cannabinoids, heavy metals, microbial impurities, mycotoxins, residual pesticides, residual solvents and processing chemicals and terpenoids (if tested).
- **Testing Methods – Standard Operating Procedures (SOPs) - <http://bcc.ca.gov/clear/forms.html>**  
Procedures for the following testing methods must be provided:
  - Cannabinoids, foreign material, heavy metals, microbial impurities, moisture content and water activity, mycotoxins, residual pesticides, residual solvents and processing chemicals, terpenoids (if tested) and homogeneity (if tested).

- **Sample Preparation – SOPs** - <http://bcc.ca.gov/clear/forms.html>  
Procedures for the sample preparation of cannabis and cannabis products.
- **Sampling – SOPs** - <http://bcc.ca.gov/clear/forms.html>  
Procedures for the sampling of Cannabis and Cannabis Products.

**Exception:** Testing Laboratories may be issued a provisional license prior to obtaining ISO/IEC 17025 accreditation provided that the applicant provides the above-required SOPs.

### **Additional Information**

#### **Incomplete Application**

If the application is incomplete, a notification will be sent to all owners listed on the application with details regarding the information still needed to process the application. Notification of incomplete information on an Owner Submittal will only be sent to the specific owner.

#### **Withdrawal of Application**

If the applicant wishes to withdraw the submitted application, a written withdrawal request, including the date and signature of at least one owner must be submitted.

#### **License Approval**

Upon approval of the application, the applicant will be required to pay a license fee, which is independent of the application fee. Once the license fee is received, the license number will be issued to the applicant. The applicant may not conduct any cannabis activity until a license is received from the Bureau.