

State License Types & General Application Requirements

Board of Supervisors, Oct. 3, 2017

The following information has been obtained from the most recent printing of California Senate Bill 94, "The Medical and Adult-Use Cannabis Regulation and Safety Act" (MAUCRSA). California municipalities are awaiting procedures and requirements from each authority that further define operational requirements in order to create consistent regulation.

- Each licensing authority shall establish procedures for the issuance and renewal of licenses. The licensing authorities are as follows;
 - CalCannabis = cultivation license and track-and-trace system
 - Bureau of Cannabis Control = retail, distribution, testing, and microbusiness licenses
 - The Office of Manufactured Cannabis Safety = manufacturing license.
- 26050 (b) With the exception of testing laboratory licenses, which may be used to test cannabis and cannabis products regardless of whether they are intended for use by individuals who possesses a physician's recommendation, all licenses issued under this division shall bear a clear designation indicating whether the license is for commercial adult-use cannabis activity as distinct from commercial medicinal cannabis activity by prominently affixing an "A" or "M," respectively. Examples of such a designation include, but are not limited to, "A-Type 1" or "M-Type 1." Except as specifically specified in this division, the requirements for A-licenses and M-licenses shall be the same. For testing laboratories, the bureau shall create a license that indicates a testing laboratory may test both adult-use and medicinal cannabis.
- 26050 (c) A license issued shall be valid for 12 months from the date of issuance. The license may be renewed annually.
- 26053 (a) All commercial cannabis activity shall be conducted between licensees, except as otherwise provided in this division.
- 26053 (c) Except as provided in subdivision (b), a person may apply for and be issued more than one license under this division, provided the licensed premises are separate and distinct.
- 26053 (d) Each applicant or licensee shall apply for, and if approved, shall obtain, a separate license for each location where it engages in commercial cannabis activity.
- 26054 (a) A licensee shall not sell alcoholic beverages or tobacco products on or at any premises licensed under this division.
- 26054 (b) A premises licensed under this division shall not be 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, unless a licensing authority or a local jurisdiction specifies a different radius. The distance specified in this section shall be measured in the same manner as provided in subdivision (c) of Section 11362.768 of the Health and Safety Code unless otherwise provided by law.

LICENSE TYPES

Cultivation License Types:

“Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

- 1) Type 1—Cultivation; Specialty outdoor; Small.** For outdoor cultivation using no artificial lighting of less than or equal to 5,000 square feet of total canopy size on one premises, or up to 50 mature plants on noncontiguous plots.
- 2) Type 1A—Cultivation; Specialty indoor; Small.** For indoor cultivation using exclusively artificial lighting of between 501 and 5,000 square feet of total canopy size on one premises.
- 3) Type 1B—Cultivation; Specialty mixed-light; Small.** For cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, of between 2,501 and 5,000 square feet of total canopy size on one premises.
- 4) Type 1C—Cultivation; Specialty cottage; Small.** for cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, of 2,500 square feet or less of total canopy size for mixed-light cultivation, up to 25 mature plants for outdoor cultivation, or 500 square feet or less of total canopy size for indoor cultivation, on one premises.
- 5) Type 2—Cultivation; Outdoor; Small.** For outdoor cultivation using no artificial lighting between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.
- 6) Type 2A—Cultivation; Indoor; Small.** For indoor cultivation using exclusively artificial lighting between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.
- 7) Type 2B—Cultivation; Mixed-light; Small.** For cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.
- 8) Type 3—Cultivation; Outdoor; Medium.** For outdoor cultivation using no artificial lighting from 10,001 square feet to one acre, inclusive, of total canopy size on one premises. The Department of Food and Agriculture shall limit the number of licenses allowed of this type.
- 9) Type 3A—Cultivation; Indoor; Medium.** For indoor cultivation using exclusively artificial lighting between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises. The Department of Food and Agriculture shall limit the number of licenses allowed of this type.
- 10) Type 3B—Cultivation; Mixed-light; Medium.** For cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises. The Department of Food and Agriculture shall limit the number of licenses allowed of this type.
- 11) Type 4—Cultivation; Nursery.**

12) Type 5—Cultivation; Outdoor; Large. For outdoor cultivation using no artificial lighting greater than one acre, inclusive, of total canopy size on one premises.

13) Type 5A—Cultivation; Indoor; Large. For indoor cultivation using exclusively artificial lighting greater than 22,000 square feet, inclusive, of total canopy size on one premises.

14) Type 5B—Cultivation; Mixed-light; Large. For cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold to be determined by the licensing authority, greater than 22,000 square feet, inclusive, of total canopy size on one premises.

** No Type 5, Type 5A, or Type 5B cultivation licenses may be issued before January 1, 2023.*

- A cultivator shall not use any pesticide that has been banned for use in the state (26060(e))
- An application for a license shall identify the source of water supply (26060.1(a))
- If water is supplied from groundwater extraction, an application shall identify the location of the extraction and the maximum amount to be diverted for cannabis cultivation in any year (2606.1(a)3)

Manufacturing license

“Manufacture” means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

15) Type 6—Manufacturer 1. For sites that manufacture cannabis products using nonvolatile solvents, or no solvents. A Manufacturing Level 1 M-Type 6 licensee shall only manufacture cannabis products for sale by a retailer with an M-Type 10 license

16) Type 7—Manufacturer 2. For sites that manufacture cannabis products using volatile solvents. A Manufacturing Level 2 M-Type 7 licensee shall only manufacture cannabis products for sale by a retailer with an M-Type 10 license.

- 26105. Manufacturing Level 2 licensees shall enact sufficient methods or procedures to capture or otherwise limit risk of explosion, combustion, or any other unreasonably dangerous risk to public safety created by volatile solvents. The State Department of Public Health shall establish minimum standards concerning such methods and procedures for Level 2 licensees.

Testing facility license

“Testing laboratory” means a laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products and that is both of the following: (1) Accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state. (2) Licensed by the bureau.

17) Type 8—Testing laboratory.

- 26053 (b) A person that holds a state testing laboratory license under this division is prohibited from licensure for any other activity, except testing, as authorized under this division. A person that holds a state testing laboratory license shall not employ an individual who is also employed by any other licensee that does not hold a state testing laboratory license.

Retail license

“Retailer” means for the retail sale and delivery of cannabis or cannabis products to customers. A retailer shall have a licensed premises which is a physical location from which commercial cannabis activities are conducted. A retailer’s premises may be closed to the public. A retailer may conduct sales exclusively by delivery.

18) Type 10—Retailer.**Distribution license**

“Distribution” means the procurement, sale, and transport of cannabis and cannabis products between licensees.

19) Type 11—Distributor.

- 26070 (b) The bureau shall establish minimum security and transportation safety requirements for the commercial distribution and delivery of cannabis and cannabis products. The transportation of cannabis and cannabis products shall only be conducted by persons holding a distributor license under this division or employees of those persons. Transportation safety standards established by the bureau shall include, but not be limited to, minimum standards governing the types of vehicles in which cannabis and cannabis products may be distributed and delivered and minimum qualifications for persons eligible to operate such vehicles.

Microbusiness license

“Microbusiness” means for the cultivation of cannabis on an area less than 10,000 square feet and to act as a licensed distributor, level 1 manufacturer, and retailer under this division, provided such licensee can demonstrate compliance with all requirements imposed by this division on licensed cultivators, distributors, Level 1 manufacturers, and retailers to the extent the licensee engages in such activities. Microbusiness licenses that authorize cultivation of cannabis shall include the license conditions described in subdivision (b) of Section 26060.1.

20) Type 12—Microbusiness.**GENERAL APPLICATION REQUIREMENTS**

An applicant for any type of state license issued shall do all of the following:

- (1) Require that each owner of the applicant electronically submit to the Department of Justice fingerprint images and related information required by the Department of Justice for the purpose of obtaining information as to the existence and content of a record of state or federal convictions and arrests, and information as to the existence and content of a record of state or federal convictions and arrests for which the Department of Justice establishes that the person is free on bail or on his or her own recognizance, pending trial or appeal.
- (2) Provide evidence of the legal right to occupy and use the proposed location and provide a statement from the landowner of real property or that landowner’s agent where the commercial cannabis activity will occur, as proof to

demonstrate the landowner has acknowledged and consented to permit commercial cannabis activities to be conducted on the property by the tenant applicant.

- (3) Provide evidence that the proposed location is in compliance with subdivision (b) of Section 26054.
- (4) Provide a statement, signed by the applicant under penalty of perjury, that the information provided is complete, true, and accurate.
- (5) (A) For an applicant with 20 or more employees, provide a statement that the applicant will enter into, or demonstrate that it has already entered into, and abide by the terms of a labor peace agreement.
(B) For the purposes of this paragraph, “employee” does not include a supervisor.
(C) For the purposes of this paragraph, “supervisor” means an individual having authority, in the interest of the applicant, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibility to direct them or to adjust their grievances, or effectively to recommend such action, if, in connection with the foregoing, the exercise of that authority is not of a merely routine or clerical nature, but requires the use of independent judgment.
- (6) Provide the applicant’s valid seller’s permit number issued pursuant to Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code or indicate that the applicant is currently applying for a seller’s permit.
- (7) Provide any other information required by the licensing authority.
- (8) For an applicant seeking a cultivation license, provide a statement declaring the applicant is an “agricultural employer,” as defined in the Alatorre-Zenovich-Dunlap-Berman Agricultural Labor Relations Act of 1975 (Part 3.5 (commencing with Section 1140) of Division 2 of the Labor Code), to the extent not prohibited by law.
- (9) Pay all applicable fees required for licensure by the licensing authority.
- (10) Provide proof of a bond to cover the costs of destruction of cannabis or cannabis products if necessitated by a violation of licensing requirements.
 - (b) An applicant shall also include in the application a detailed description of the applicant’s operating procedures for all of the following, as required by the licensing authority:
 - (1) Cultivation.
 - (2) Extraction and infusion methods.
 - (3) The transportation process.
 - (4) Inventory procedures.
 - (5) Quality control procedures.
 - (6) Security protocols.
 - (7) For applicants seeking licensure to cultivate, the source or sources of water the applicant will use for cultivation, as provided in subdivisions (a) to (c), inclusive, of Section 26060.1. For purposes of this paragraph, “cultivation” as used in Section 26060.1 shall have the same meaning as defined in Section 26001. The Department of Food and Agriculture shall consult with the State Water Resources Control Board and the Department of Fish and Wildlife in the implementation of this paragraph.
 - (c) The applicant shall also provide a complete detailed diagram of the proposed premises wherein the license privileges will be exercised, with sufficient particularity to enable ready determination of the bounds of the premises,

showing all boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, and common or shared entryways, and include a brief statement or description of the principal activity to be conducted therein, and, for licenses permitting cultivation, measurements of the planned canopy, including aggregate square footage and individual square footage of separate cultivation areas, if any, roads, water crossings, points of diversion, water storage, and all other facilities and infrastructure related to the cultivation.

(d) Provide a complete list of every person with a financial interest in the person applying for the license as required by the licensing authority. For purposes of this subdivision, "persons with a financial interest" does not include persons whose only interest in a licensee is an interest in a diversified mutual fund, blind trust, or similar instrument.