Overview of the Commercial Cannabis Cultivation Licensing Process

January 2020
Top Ten Counties with Number of Licenses Issued

Total applications approved: 5,250

1. Humboldt County: 1,275
2. Santa Barbara County: 1,196
3. Mendocino County: 615
4. Monterey County: 485
5. Trinity County: 238
6. Los Angeles County: 193
7. Yolo County: 93
8. Sonoma County: 90
9. Lake County: 88
10. Riverside County: 77

*as of 1/22/2020
Number of Licenses Issued by Designation

Total applications approved: 5,250
Applications approved but pending license fee payment: 507
Issued Medicinal Licenses: 1,478
Issued Adult-Use Licenses: 3,265

*as of 1/22/2020
Number of Licenses Issued by Size

Small: 3,086
Specialty: 732
Medium: 440
Nursery: 205
Specialty Cottage: 171
Processor: 109

*as of 1/22/2020
Number of Licenses Issued by Type

Outdoor: 1,810
Mixed-Light Tier 1: 1,721
Indoor: 543
Mixed-Light Tier 2: 355
Nursery: 205
Processor: 109

*as of 1/22/2020*
Active cannabis cultivation licenses as of 8/1/2019
Organization

CalCannabis
Cultivation Licensing

Environmental Evaluation Branch

Enforcement Branch

Administration Branch
Annual License Application
Review Process Flow

- Application Fee Paid
- Annual Application Received
  - Local Verification
  - Administrative Review
  - Scientific Review
  - Email local authority checking compliance
- License Fee Paid
- License Issued
Local Verification

Address Validation
• Confirm physical address using web-based mapping software

Transmit Compliance Inquiry
• Permit supplied = 10 calendar days to respond
• No permit supplied = 60 business days to respond

Analyze Compliance Response
• In Compliance = moves to administrative review
• Pending = moves to administrative review
• Not in Compliance = review stops and may be recommended for denial
• No Response = move to administrative review
Administrative Review

Business Entity Structure
• business formation documents, sellers permit, surety bond, other cannabis interests

Right to Occupy
• Own- title or deed for the property
• Rent/Lease- lease agreement and acknowledgement letter from property owner

Owner Applications
• criminal history, conviction disclosures, statement of rehabilitation, legal determination on substantially-related offenses

Deficiencies
• 90 days to supply all missing or incomplete information
• There is no extension of the 90 day deficiency period
Scientific Review

Cultivation Plan
• Pest management plan, waste management plan, premises diagram, and property diagram

Water source and associated documentation
Enrollment in the state water quality protection program
Lake or streambed alteration agreement - provisional decision
CEQA Compliance—provisional decision

Deficiencies
• 90 days to supply all missing or incomplete information
Application Approval

90 days to pay license fee and receive license

• If fee is not paid by the 90 day deadline the application will be disqualified
• 535 approved applications pending payment of license fee

Cultivators who have not paid the license fee cannot legally cultivate
or engage in transfer of product
California Environmental Quality Act (CEQA)

Local Jurisdiction may opt for a statutory exemption for their local ordinance

Full discretionary review
• Categorical Exemptions
• IS/MND
• Tiering checklists or addenda
• Robust project descriptions required

CDFA is a Responsible Agency
• Issuance of a State License is a subsequent discretionary action

CDFA can fulfill the role of lead of agency if the local jurisdiction opts out
• This will result in delays approving applications and issuing licenses

Ministerial exemptions alone are not sufficient for the issuance of a State License
Provisional Licenses

All required components of the Annual License

• Must be able to show CEQA compliance is “underway”
• CDFW documentation must be in progress

Local verification you are engaged in the process

• Location specific—Affidavit, permission letter, jurisdictional lists etc
• Will work with cultivators as they submit applications

Provisional is not a separate application

• CDFA determines Provisional vs Annual based on application components
Administrative Amendments

The DRP must send an email to cdfa.calcannabis_amendments@cdfa.ca.gov with the following information:
• License numbers being amended
• What information is specifically being amended
• Supporting documentation for the amendment, if applicable

Emails to cdfa.calcannabis_amendments@cdfa.ca.gov should ONLY contain amendment requests. Any other questions or emails should be sent to calcannabis@cdfa.ca.gov

Types of Administrative Amendments:
• DRP declaration
• Owner information change
• Ownership Change
• Admin Amendment (Legal right to occupy, surety bond, financial interest holder(s), etc.)
Science Amendments

- Physical Modification of the licensed premises
- Provisional License Transition to Annual License
- Provisional License Renewal Review
Transition of Provisional License to Annual License

• Request submitted through a Science Amendment
• License may be transitioned at anytime
• A license’s expiration date will not change
• Must meet all regulatory requirements
Renewal of Licenses

60 days before expiration  
30 days before expiration  
Expiration of license  

Able to renew license

*License fee is due at time of renewal*
Renewal of Licenses

Annual License Renewal

• Automated within the system—pay the fee and receive a license
Renewal of Provisional Licenses

Provisional License Renewal – requires science amendment

- Proof of diligently making progress on outstanding deficiencies or other permitting agency requirements
  - Division 10 of the Business and Professions Code Section 26050.2
  - Subject to a licensing action if submitted without proof of progress
California Cannabis Track-and-Trace (CCTT) System

- Annually licensed cultivators required to report the disposition of immature and mature plants, non-manufactured products, transfers, and waste (Seed to Sale)
- Encrypted radio frequency Unique Identifiers (UIDs) required to be used for track-and-trace of plants and packages.
- UIDs provided at no cost to the licensee
- Metrc
CCTT Use

Licensees are required to use the CCTT system, and must complete required training prior to being provided access to CCTT

• After notice of approval of their license, the DRP/Account Manager has 5 calendar days to register for Metrc New Business training
• Once they have been credentialed – 5 calendar days to order their tags
• Once they have physically received their tags – 3 calendar days to acknowledge receipt of the tags in Metrc
• Once they have received their tags – 30 calendar days to tag all existing inventory (plants and packages)
CCTT Use

Three (3) calendar days to report all activity in Metrc (waste produced, plants harvested, packages created, etc.)

- Date entered in Metrc must be the actual date of the activity
- Must receive or reject a transfer from another licensee within twenty-four (24) hours of physical receipt or rejection of the products.

Compliance is currently revoking licenses for cultivators who are delinquent in completing their CCTT requirements
Compliance

- Multiple inspections a year
  Compliance with regulation and cultivation plan
- Contracts through County Ag Commissioners
- Notice of Non-Compliance
- Notice of Violation (fines)
- Possible revocation
Enforcement

• Focus is on illegal cultivation sites

• Make recommendations to Licensing and Compliance based on local law enforcement and permitting agencies referrals
Enforcement

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Thank you for joining us!

Visit our website and join our email-alert list: calcannabis.cdfa.ca.gov

1-833-CALGROW

calcannabis@cdfa.ca.gov

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