



**March 1 Subcommittee Meeting on Microbusiness: Regulations and Statutes Chart**

Agenda Item	Agenda Topic	Regulation (California Code of Regulation)	Statute (Business and Professions Code, unless otherwise stated)
2a	Liability Insurance and Bonds	<ul style="list-style-type: none"><li>• § 5008 – Requires applicants for annual licensure to provide proof of having obtained a surety bond of at least \$5,000, payable to the State of California to ensure payment of the cost incurred for the destruction of cannabis goods necessitated by a violation of the Act or regulation adopted thereunder.</li><li>• § 5308 – Identifies insurance requirements for those engaging in distribution activities:<ul style="list-style-type: none"><li>o General Liability in the Aggregate of \$2,000,000 and in an amount no less than \$1,000,000 for each loss.</li><li>o Identifies requirements for insurers.</li></ul></li></ul>	<ul style="list-style-type: none"><li>• § 26051.5, subd. (a)(10) – Applicants for licensure are to “provide proof of a bond to cover the costs of destruction of cannabis or cannabis products if necessitated by a violation of licensing requirements.”</li><li>• § 26070, subd. (a)(2) – Notes that a distributor licensee “shall be bonded and insured at a minimum level established by the licensing authority.”</li></ul>
2b	Equity Cap on Microbusiness Activities	N/A	N/A

2c	Testing Issues: how to conduct representative sampling and where does testing take place in the chain of microbusiness activities	<ul style="list-style-type: none"> <li>• § 5302, 5304-5307 - Describes regulations and requirements related to distributor arrangement of laboratory testing including: <ul style="list-style-type: none"> <li>o Storage of Batches for Testing</li> <li>o Testing Arrangements</li> <li>o Testing Sample</li> <li>o Laboratory Testing Results</li> <li>o Quality-Assurance Review</li> </ul> </li> <li>• § 5704-5710 – Describes regulations and requirements related to sampling cannabis and cannabis products including: <ul style="list-style-type: none"> <li>o Sampling standard Operating Procedures</li> <li>o General Sampling Requirements</li> <li>o Sample Field Log</li> <li>o Harvest Batch Sampling</li> <li>o Cannabis Product Batch Sampling</li> <li>o Chain of Custody Protocol</li> <li>o Laboratory Receipt of Samples Obtained from a Distributor</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• § 26100-26106 – General requirements for testing laboratories.</li> </ul>										
2d	Small Business Set-Aside	N/A	N/A										
2e	Fee Schedule for Microbusinesses	<ul style="list-style-type: none"> <li>• § 5014 – Identifies fees for microbusinesses:</li> </ul> <table border="1" data-bbox="674 906 1316 1196"> <thead> <tr> <th data-bbox="674 906 999 979">Operations (\$ Max. Per License)</th> <th data-bbox="999 906 1316 979">Fee Per License</th> </tr> </thead> <tbody> <tr> <td data-bbox="674 979 999 1018">Up to 0.5 million</td> <td data-bbox="999 979 1316 1018">\$5,000</td> </tr> <tr> <td data-bbox="674 1018 999 1091">Greater than 0.5 Million to 1.5 million</td> <td data-bbox="999 1018 1316 1091">\$15,000</td> </tr> <tr> <td data-bbox="674 1091 999 1164">Greater than 1.5 million to 4.5 million</td> <td data-bbox="999 1091 1316 1164">\$42,000</td> </tr> <tr> <td data-bbox="674 1164 999 1196">Greater than 4.5 million</td> <td data-bbox="999 1164 1316 1196">\$120,000</td> </tr> </tbody> </table>	Operations (\$ Max. Per License)	Fee Per License	Up to 0.5 million	\$5,000	Greater than 0.5 Million to 1.5 million	\$15,000	Greater than 1.5 million to 4.5 million	\$42,000	Greater than 4.5 million	\$120,000	<ul style="list-style-type: none"> <li>• § 26180 – Provides Authority for Licensing entities to establish licensing fees.</li> </ul>
Operations (\$ Max. Per License)	Fee Per License												
Up to 0.5 million	\$5,000												
Greater than 0.5 Million to 1.5 million	\$15,000												
Greater than 1.5 million to 4.5 million	\$42,000												
Greater than 4.5 million	\$120,000												

2f	How Microbusinesses Can Interact with Other License Types (including co-location of adult-use and medicinal licenses)	<ul style="list-style-type: none"> <li>• § 5025 – clarifies limited circumstances where co-location of licenses is allowed (e.g., A and M licenses for the same activity can be co-located).</li> </ul>	<ul style="list-style-type: none"> <li>• § 26001, subd. (ap) – defines “premises” as the “designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or licensee where the commercial cannabis activity will be or is conducted.” Provides that premises shall be contiguous and shall only be occupied by one licensee.</li> <li>• § 26053, subd. (d) – provides that 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.</li> </ul>
2g	Cannabis Waste Management	<ul style="list-style-type: none"> <li>• § 5054 – General requirements regarding destruction of cannabis products prior to disposal.</li> <li>• § 5055 – General requirements regarding Cannabis Waste Management.</li> <li>• § 40290 – regulatory requirements for how manufacturers must handle and properly dispose of cannabis waste</li> </ul>	N/A