



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

Agenda Item	Agenda Topic	Regulation (California Code of Regulations)	Statute (Business and Professions Code, unless otherwise stated)
2a	Methods of Delivery	<ul style="list-style-type: none"><li>• §5415: Delivery requirements, including delivery employee age, identification to be carried on persons during delivery, and delivery routes.</li><li>• §5417: methods of delivery are specified, including requirements on visibility, use of enclosed motor vehicle, and use of GPS</li><li>• §5418: Cannabis goods during delivery cannot exceed \$3,000.</li><li>• §5421: Delivery employee cannot deviate from delivery route, unless for certain exceptions</li></ul>	<ul style="list-style-type: none"><li>• §26070: Retailers and Distributors – retailer may conduct sales exclusively by delivery</li><li>• §26090: Deliveries – requirements for licensee employees delivering cannabis, including carrying copy of the license, government-issued id, and copy of delivery request</li></ul>

2b	Advertising Rules and Placement	<ul style="list-style-type: none"> <li>• §5040: Advertising placement requires determination of audience composition, to reasonably expected to be 21 or older.</li> <li>• §5029: cannabis goods not meeting the labeling requirements can still be transported and sold during the transitional period, if other requirements met.</li> <li>• §5412: Packaging and labeling - retailer must ensure proper packaging and labeling, by not accepting or possessing any cannabis goods that are not packaged as they will be sold, and not packaging or labeling cannabis goods.</li> </ul>	<ul style="list-style-type: none"> <li>• §26150: definitions – “advertise,” “advertisement,” “advertising sign,” “health-related statement,” and “market” or “marketing”</li> <li>• §26151: Advertising and marketing standards – minimum standards include identifying licensee responsible for advertising or marketing content, with license number, audience composition is at least 71.6% 21 or older, and be true and appropriately substantiated.</li> <li>• §26152: Prohibitions; false or misleading advertising or marketing; advertising or marketing to minors – prohibits certain advertising and marketing activities, such as publishing, false materials, inconsistent labeling statements, misleading statement regarding origination of cannabis, utilize a billboard on a highway crossing state borders, or within 1,000 feet of a prohibited facility.</li> <li>• §26154: False or misleading health-related statements – licensee prohibited from publishing any health-related statement that is untrue or tends to create a misleading impression as to health affects.</li> <li>• §26155: Exceptions – prohibiting advertisement within 1,000 ft. of a listed facility (i.e. school) does not apply to inside a licensed premises, as long as not visible from public place.</li> <li>• §26156: Application of provisions relating to advertising displays – certain advertising requirements under BPC§5272 relating to advertising in arenas, real property is applicable</li> <li>• §5727: Displays, exceptions,</li> <li>• §17200: Unfair competition; prohibited activities – including unfair, deceptive, untrue or misleading advertising.</li> <li>• §17500 et seq: False advertising in general</li> </ul>
2c	Operating Hours Limits	<ul style="list-style-type: none"> <li>• §5403: Hours of operation – must be between 6am-10pm, and includes security measures for when business is not open to the public.</li> <li>• §5422: Retailer can only receive shipments of inventory between 6am-10pm</li> </ul>	<ul style="list-style-type: none"> <li>• §26070(j): Retailers and distributors - retailers and microbusinesses shall implement security measures reasonably designed to prevent unauthorized access to premises.</li> </ul>

2d	Delivery Hours Limits	<ul style="list-style-type: none"> <li>• §5403: Hours of operation, including delivery – 6am-10pm</li> <li>• §5415(d): Delivery – designating when it starts with employee leaving licensed premises and ending when their return.</li> </ul>	<ul style="list-style-type: none"> <li>• §26070(b): Retailers and distributors – minimum security and transportation safety requirements for delivery of cannabis.</li> <li>• §26090: Deliveries – requirements for employees delivering cannabis, and prohibition of location jurisdictions preventing delivery on public roads.</li> </ul>
2e	Physical Requirements for Premises	<ul style="list-style-type: none"> <li>• §5002(c)(21) and(25): annual application – requires premises diagram and landowner approval</li> <li>• §5006: Premises diagrams must include boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, windows, and statement of principal activity, etc.</li> <li>• §5025: Premises – each licensee must have a designated premises, and one licensed premises may only be held by two licensees when it is an A-license or M-license for the same activity, ownership, name, etc.</li> <li>• §5026: Premises location – prohibits the location of a licensed premises within 600-foot radius of certain facilities, such as schools.</li> <li>• §5027: Substantial or material physical modification of premises must be approved</li> <li>• §5601(d)(5): Temporary cannabis event license – must include address of county fairgrounds or district agricultural association event</li> </ul>	<ul style="list-style-type: none"> <li>• §26001(ap): Definitions – “premises” is designated structure or land specified in the application where activity is conducted, and is to be a contiguous area with only one licensee.</li> <li>• §26051(c): application for license must include complete detailed diagram with particularity.</li> <li>• §26053: License required for all commercial cannabis activity; multiple licenses - need separate premises for each license applied for</li> <li>• §26054: a licensed premises shall not be located within a 600 foot radius of a school, daycare center, youth center, unless otherwise specified by a local jurisdiction.</li> <li>• §26070(a): Retailers and Distributors – requires licensed premises which is a physical location</li> </ul>
2f	Banking	N/A	<ul style="list-style-type: none"> <li>• §26180.5: Initiation of work to ensure a safe and viable way to collect cash payments for taxes and fees</li> <li>• §26210.5: Establishment of office to collect fees and taxes in specified counties – in County of Humboldt, Trinity or Mendocino to ensure safe payment and collection of cash.</li> </ul>

2g	Cost (Taxation, Fees, and Insurance)	<ul style="list-style-type: none"> <li>• §5014: Annual license fees – includes application fee and license fee based on license type and estimated dollar value of operations</li> <li>• §5015: Payment of fees – specifies how the application and licensing fees may be paid, and payment of less than the appropriate amount</li> <li>• §5308: Insurance requirements – distributor applicants required to provide certificate of insurance showing type and amount of coverage, no less than \$2 million in aggregate, and \$1 million for each loss.</li> </ul>	<ul style="list-style-type: none"> <li>• §26012(b): Creation, issuance, denial, renewal, discipline, suspension, or revocation of licenses – each licensing authority has authority to collect fees in connection with regulatory activities.</li> <li>• §26180 et seq.: Licensing fees – licensing authority to establish a fee scale for licensure and renewal, based on enforcement and administration, and scaled on size of business, and in an amount to fully recover costs.</li> <li>• §26210 et seq.: Funding – allocates and provides for the administration of funds by and to the licensing authorities, and establishes a public information program through the Dept. of Health Care Services.</li> <li>• §26070(a)(2): Retailers and distributors – distributor to be insured at a minimum</li> <li>• RTC §34010 et seq.</li> </ul>
2h	Waste and Product Disposal	<ul style="list-style-type: none"> <li>• §5000(d): cannabis waste defined as waste that is not hazardous waste, and contains cannabis that has been made unusable and unrecognizable</li> <li>• §5054-5055: cannabis goods must be disposed of in certain manner, including being destroyed first</li> <li>• §5709(a): COC Protocol – labs to develop COC protocols for sample destruction</li> <li>• §5728: Post testing retention CDFA Regulations – title 3</li> <li>• §8108: Cannabis waste management plan DPH Regulations – title 17</li> <li>§40290: Waste management</li> </ul>	<ul style="list-style-type: none"> <li>• §26153: Affixing of tag or marking to adulterated or misbranded cannabis product – permission to dispose by DPH</li> <li>• §26100: Testing requirements – destruction of samples</li> <li>• PRC §40141 – hazardous waste</li> </ul>
2i	Sampling of Products	<ul style="list-style-type: none"> <li>• §5411: Free cannabis goods – prohibited unless meeting certain exceptions, such as being provided to medicinal cannabis patient and complying with applicable requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• §26153: Promotional giveaways – prohibited as business promotion or other commercial activity.</li> </ul>

2j	Special Events	<ul style="list-style-type: none"> <li>• §5600 et seq.: Cannabis events – to obtain a temporary event license, an event organizer must first obtain an event organizer license. An event license cannot be issued for longer than 4 days. Additionally, requirements pertaining to retailers and distributors are applicable to those selling and distributing for cannabis events.</li> </ul>	<ul style="list-style-type: none"> <li>• §26200(e): Local jurisdictions; ordinances; enforcement; notice to bureau of revocation of local license; permissible activities on retailer or microbusiness premises - temporary event license allowed for onsite sales and consumption for 21 and older at a county fair or district agricultural association event, in compliance with local jurisdictions</li> </ul>
2k	Adult-use/Medicinal (A/M) Licensing	<ul style="list-style-type: none"> <li>• §5025: Premises – each licensee must have a designated premises, one licensed premises may be held by two licensees when it is an A-license or M-license for the same activity, ownership, etc.</li> <li>• §5029: Transition to Regulated Commercial Cannabis Market – licensees may conduct business with other licensees irrespective of “A” or “M” designation.</li> <li>• §5404: Retail customers – adult cannabis goods should only be sold to verified individuals 21 and over, and medicinal cannabis goods to those 18 and over with a valid physician’s recommendation.</li> <li>• §5409: Daily limits are established for the sale of adult-use and medicinal concentrated and non-concentrated cannabis.</li> </ul>	<ul style="list-style-type: none"> <li>• §26001(a),(ae): Definitions – “A-license” is a state license for cannabis intended for adults 21 years or older, and “M-license” is a state license for commercial cannabis activity involving medicinal cannabis.</li> <li>• §26050(b): License classification – all licenses (aside from testing labs) shall designate with distinction whether it is for commercial adult-use cannabis or commercial medicinal cannabis</li> <li>• §26140: Selling or furnishing cannabis or cannabis products to persons under 21 years of age; prohibitions; exceptions – prohibits A-licensees from selling, employing, or allowing access to premises, of anyone under 21, and prohibits M-licenses from selling to anyone under 18, or under 21 without a valid physician’s recommendation.</li> </ul>
2l	Compassionate Use Program	<ul style="list-style-type: none"> <li>• §5016 Priority licensing – eligible applicant must demonstrate operation in compliance with the Compassionate Use Act prior to 9/1/16</li> </ul>	<ul style="list-style-type: none"> <li>• §26054.2: Priority in issuing licenses – priority to those applicants operating and in compliance with applicable laws prior to September 2016.</li> <li>• HSC §11362.5: Compassionate Use Act</li> </ul>

2m	Product Liability	<ul style="list-style-type: none"> <li>• §5002(c)(29): Annual application – standard operating procedure required for non-laboratory quality control procedures</li> <li>• §5029: Transition to Regulated Commercial Cannabis Market – certain requirements on labeling and testing may be abrogated during transitional period.</li> <li>• §5303: distributor can package and label, except for manufactured cannabis products when not labeled with incorrect THC amount.</li> <li>• §5307: Distributor must ensure quality assurance of cannabis goods after testing and receiving the certificate of analysis</li> <li>• §5412: retailer must ensure proper packaging and labeling, by not accepting or possessing cannabis goods that are not packaged as they will be sold, and not packaging or labeling cannabis goods.</li> </ul> <p>DPH Regulations – title 3</p> <ul style="list-style-type: none"> <li>• §40100(b): “Cannabis product quality” defined</li> <li>• §40268: Recalls</li> <li>• §40400 et seq: Labeling and Packaging Requirements</li> </ul>	<ul style="list-style-type: none"> <li>• §26100 et seq: Testing laboratories – requirements on testing and lab licensing, specifications on handling of test samples, and standards for production, packaging, and labeling.</li> <li>• §26110: Quality assurance, inspection and testing – procedures for distributors to handle testing of cannabis and cannabis products, and related quality assurance requirement, including protocols for when a sample passes or fails testing</li> <li>• §26120 et seq.: Packaging and labeling – requirements regarding form and contents of labels to include ingredient description, warnings, and packaging requirements to be unattractive and resistant to children</li> <li>• §26130 et seq.: Manufacturers and cannabis products - including product standards, adulteration of cannabis products, and misbranding requirements</li> </ul>
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