

#1

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Friday, February 16, 2018 10:02:58 AM
Last Modified: Friday, February 16, 2018 10:20:59 AM
Time Spent: 00:18:00
IP Address: 73.15.227.138

Page 1

Q1 First Name (Optional)

Louis

Q2 Last Name (Optional)

W.

Q3 Organization (Optional)

Cultivation and Retail owner

Q4 Title (Optional)

Owner and Partner

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Licensing Application Subcommittee

Q6 Feedback for Subcommittee

Perhaps not the right subcommittee to send to, but...

Please please understand the short and long term consequences of excessive barriers to entry to licensing and compliance management in an emerging market with an extremely healthy black market. Perhaps consult with with a state economist. The black market will be stronger next year when so many businesses are pushed out or fail to maintain compliance. More effort needs to be made in order to mitigate the illicit market, NOT STRENGTHEN it! It's not that complicated, keep the fees/taxes reasonable, then slowly and progressively increase over time so businesses can adjust accordingly. We want to make the job for law enforcement easier, not more difficult and painstakingly arduous as they have their hands full trying to track and wipe out illegal grows. It costs tax payers money!!! Give the smaller business owners a shot, then slowly tighten the reins. An open, free market with lots of competition is a wonderful thing, eventually lowers cost and increases quality. We are all for testing and taxing, but be reasonable and measured. Don't take my word for it, just look at Washington and Oregon as the blueprint for what NOT to do!!!

#2

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Sunday, February 18, 2018 7:22:03 PM
Last Modified: Sunday, February 18, 2018 7:28:40 PM
Time Spent: 00:06:36
IP Address: 107.77.229.116

Page 1

Q1 First Name (Optional)

David

Q2 Last Name (Optional)

Respondent skipped this question

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Licensing Application
Subcommittee**

Q6 Feedback for Subcommittee

Recognition or failure to recognize the various types of local licensing is preventing temporary licensing applications from being accepted. This includes Business Tax Certificates for San Diego which is the current form of authorization to operate a cannabis business. I request the various departments, especially for cultivation, reevaluate previously denied state temp license applications for only having a BTC.

#3

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, February 21, 2018 12:49:09 AM
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IP Address: 99.162.93.113

Page 1

Q1 First Name (Optional) **Respondent skipped this question**

Q2 Last Name (Optional) **Respondent skipped this question**

Q3 Organization (Optional) **Respondent skipped this question**

Q4 Title (Optional) **Respondent skipped this question**

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Licensing Application Subcommittee

Q6 Feedback for Subcommittee

The Overview document by BCC says "Retailer cannot package or label cannabis goods." Based on the foregoing, please provide clarification as to the following:

1. Suppose business wants to purchase 5 ounces of dried cannabis flower and then package the cannabis into smaller amounts for sale. For example, divide the larger amount into smaller amounts, such as 1 gram packages, 2 gram packages, etc. What kind of license(s) would be required to conduct that activity?
 2. Can a distributor do it if the sales are only to licensed retailers?
 3. Is the process of dividing the larger amounts into smaller packages considered manufacturing?
 3. Can a microbusiness do it, if approved for manufacturing, distribution, and retail?
-

#4

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, February 21, 2018 10:03:19 AM
Last Modified: Wednesday, February 21, 2018 10:04:21 AM
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IP Address: 4.16.30.210

Page 1

Q1 First Name (Optional)

Stephanie

Q2 Last Name (Optional)

Hopper

Q3 Organization (Optional)

CannDESCENT

Q4 Title (Optional)

Government Affairs

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Licensing Application Subcommittee

Q6 Feedback for Subcommittee

Cannabis events and social consumption. We need to create a place where people can consume cannabis legally since they can legally purchase cannabis. The state of California should allow for special events (public) in places other than county fairs and department of agriculture that allow consumption similar to alcohol.

Cannabis lounges, social consumption. People who want to consume cannabis need a place they can legally consume cannabis that is away from the general public. Cannabis lounges would serve this purpose.

#5

COMPLETE

Collector: Web Link 1 (Web Link)
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IP Address: 198.189.249.57

Page 1

Q1 First Name (Optional)

Stephani

Q2 Last Name (Optional)

Smith

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Licensing Application Subcommittee

Q6 Feedback for Subcommittee

To Whom It May Concern,

With the State's legalization of adult-use cannabis, numerous ancillary industries have arisen in response to new and pending regulations. I've recognized there is a lack of consideration for cannabis waste in particular. This is a concern of mine due to the increasing number of cultivation, manufacturing and retailer licenses being granted within the state without identified guidelines and/or regulations regarding safe disposal of cannabis byproduct and cannabis waste.

Cannabis waste is expansive and differs from cultivators, manufacturers, and retailers. As such, it would also be prudent to clarify streams of waste by industry vertical. For example, cannabis waste runs the gamut of post-extracted cannabis plants and flowers, failed lab tested materials, ancillary manufactured waste (for example, i.e., wax paper, gloves, beakers, etc.), retail display items, and returned/damaged retail items, and more. Currently, certain streams of cannabis waste are frequently mistaken with safe-to-consume products, posing a risk to children and disenfranchised individuals.

It is my recommendation that regulations reflect who is qualified to handle cannabis waste. A licensed cannabis waste handler ought to be contracted for each cannabis cultivator, manufacturer, and retail site to combat the negative repercussions cannabis waste has on human and environmental health. The inclusion of such a standard will complete the symbiotic relationship between key stakeholders—the environment, the public and the industry.

#6

COMPLETE

Collector: Web Link 1 (Web Link)
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Last Modified: Wednesday, February 21, 2018 12:51:34 PM
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Page 1

Q1 First Name (Optional)

Rachel

Q2 Last Name (Optional)

O.

Q3 Organization (Optional)

Somatik

Q4 Title (Optional)

Sales

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Licensing Application Subcommittee

Q6 Feedback for Subcommittee

- Licensing Subcommittee
- a. Ownership / Number of Licenses
 - b. Licensing Vested Rights
 - c. Privatization of Licensing Application Information
 - d. License Fees
 - e. Tribal Issues Related to Land Owner Approval
 - f. Adult-Use & Medicinal License Designations
-

#7

COMPLETE

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Page 1

Q1 First Name (Optional)

Max

Q2 Last Name (Optional)

Esdale

Q3 Organization (Optional)

Meadow

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Licensing Application Subcommittee

Q6 Feedback for Subcommittee

Re: licensing and ownership restrictions. Please suggest including a cooling off period of at least one year for local and state officials involved in making or enforcing cannabis regulations. The revolving door between regulators and the industry has already started and potential conflicts of interest will only grow as the industry does.

A cooling off period vastly decreases the incentives to play favorites or craft/enforce laws in ways that benefit a future employer/investment/partner. The greater the advantages available to well-capitalized and connected operators, the higher the barriers to entry for smaller operators to compete (and the greater the likelihood more will choose to stay in/return to the black market).

Thank you for your consideration!

#8

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, February 21, 2018 12:48:32 PM
Last Modified: Wednesday, February 21, 2018 1:52:29 PM
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IP Address: 216.101.17.200

Page 1

Q1 First Name (Optional)

Bridget

Q2 Last Name (Optional)

May

Q3 Organization (Optional)

Little Green Bee

Q4 Title (Optional)

President

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Licensing Application
Subcommittee**

Q6 Feedback for Subcommittee

Single manufacturing license for A & M: CCR § 40115(c) and (d)

(c) A M-license is required in order to manufacture cannabis products for sale in the medicinal-use market.

(d) An A-license is required in order to manufacture cannabis products for sale in the adult-use market.

[Issue] This seems to be a redundant cost for applicants seeking both license types, and one that is cost prohibitive for small businesses. Furthermore, dividing the market into two distinct tracks threatens the medicinal cannabis market. Businesses generally see the adult use market as more promising for growth potential and if forced to choose for economic or administrative reasons, they may choose adult use, leaving patients without sufficient products or retailers. For example a small business would need to maintain to completely separate supply chains from seed to sale losing out on economies of scale, and doubling a manufacturer's up front cost to service both markets.

[Recommendation] Please reevaluate whether there is an administrative need to have two license types for suppliers. If an applicant applies for both A&M licenses, is the state agency processing each application separately from start to finish? If not, it is recommended that the state allow a single application for both license types rather than charging to recover costs for two reviews when the process is only completed once.

The A & M designations may be logical at the retail level, but not for suppliers.

Extend time to conduct business irrespective of M & A designation: CCR § 5029

Recommendation: Thank you for including this! It would be helpful if you could extend the time frame in which licensees may conduct business with other licensees irrespective of the M or A designation on their licenses. Businesses need more time to comply with regulations and this extension will allow legislators to pursue statutory change for a single state A&M license.

Shared spaces: CCR § 40190-40199

We are in full support and excited about shared manufacturing spaces! We urge you to define and communicate this legislation quickly as the lack of this legislation negatively impacts our equity partners/incubators and small manufacturers. Licensing fees have become a barrier to entry for small businesses and equity incubators. By allowing shared spaces, small businesses can afford to obtain zoning-compliant spaces and enter the regulated market.

Recommendation: We request you to consider allowing shared equipment for non extraction related equipment. With the proper GMP's and SOP's in place there should be little to no risk of cross contamination. This is similar for mobile bottlers in the alcohol industry or co-packers in the traditional food industry.

We urge you to avoid any language defining or capping square footage, number of employees or businesses per premise. There are significant safety measures put in place by the Fire Department as well as the Department of Public Health to address any concerns regarding limitations to shared food processing and building safety.

Finally, please allow licensees in shared spaces to have shared storage. This will help small businesses to afford the costs of compliance. Shared locked cages for product are economically practical and guidelines may be specified to ensure each licensee's products remain separate within the cage.

#9

COMPLETE

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Page 1

Q1 First Name (Optional)

Jim

Q2 Last Name (Optional)

Lewi

Q3 Organization (Optional)

Red Light Management

Q4 Title (Optional)

Production Manager

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Licensing Application
Subcommittee**

Q6 Feedback for Subcommittee

1. Overnight Security at Temporary Events - Section 5402 of the BCC's Emergency Regulations requires that all retail sales conducted at temporary events comply with Section 5403 which provides guidance pertaining to the retail premises 'when not open' to consumers. Under Section 5403, the retail sale premises must be:

- Securely locked with commercial-grade, non-residential door locks;
- Equipped with an active alarm system;

And only allow employees and contractors of the retailer to enter the premises when the retailer is not open.

As a temporary event the Emerald Cup currently works with approximately 250 cannabis goods suppliers who conduct their sales out of 10'x10' and 10'x20' temporary vending areas. These vending areas are generally located in either an 'open air' setting secured by a perimeter fence, within a fully enclosed commercial grade tent structure, or within a permanent building. The current requirements associated with overnight security are not realistically applicable to temporary events. Establishing temporary alarm systems poses incredible expense to temporary event license holders and the locked area requirements could also prove to be quite challenging. Additionally, we fear that the requirement for the 'retailer' to provide the contracted security of each retail area would create chaos at temporary events.

Suggested Solutions: The Emerald Cup Team respectfully requests that the BCC establish overnight security requirements that are specific to temporary events. Such requirements should include the following security protocols:

All 'open air' areas where cannabis goods are sold should be securely fenced with lockable ingress and egress gates that must remain locked at all times when sales are NOT being conducted;

If cannabis goods are to be sold at a temporary event within a permanent structure then all windows and doors associated with that structure must remain closed and locked at all times when sales are NOT being conducted;

If cannabis goods are to be sold at a temporary event within a temporary structure, and the temporary structure is constructed with solid walls that extend from the floor or ground to the ceiling of the structure, AND the temporary structure is equipped with locking doors, then the temporary structure must remain locked at all times when sales are NOT being conducted;

In addition to the requirements outlined above, the licensed event organizer must provide contracted security personnel to monitor all areas where cannabis goods will be sold for the entire duration that cannabis goods are on the temporary event premises.

2. Sales at Temporary Cannabis Events - Currently the BCC's Emergency Regulations require that only employees of a licensed retail entity are allowed to conduct the sale of cannabis goods at temporary events. However, the Emerald Cup was established to create a farmer's market type opportunity that allows the consumer to interact with the farmer directly and the farmer to conduct direct to consumer sales. With that said, The Emerald Cup team respectfully requests that independent contractors be allowed to engage in the sale of cannabis goods at compliant temporary events. This request would allow farmers to participate in compliant events, and represent their products in partnership with licensed retail entities. Additionally, we urge the subcommittees to recommend that farmers who obtain a microbusiness license be allowed to conduct sales at compliant events and that these sales serve to fulfill the retail activity of the microbusiness license without also requiring a 'brick and mortar' dispensary or a 'delivery' type dispensary permit from a local jurisdiction. For example, a licensee should be able to qualify for a microbusiness license if he or she cultivates 10,000 SF or less, conducts distribution (or nonvolatile solvent manufacturing) and conducts retail sales at compliant events.

3. Tobacco and Alcohol Sales and Consumption: It is our current interpretation of the temporary event regulations that alcohol and tobacco sales and consumption will be allowed at temporary cannabis events so long as the alcohol and tobacco sales and consumption areas are:

- Conducted in a unique and clearly identified area that is separate from all cannabis sales and consumption; AND
- Conducted by an entity that is separate from the entity holding the cannabis organizer license.

Currently, most large venues such as County Fairgrounds, reserve the right to conduct the alcohol sales which establishes revenue for the venue and reduces the cost associated with hosting a temporary event. Preserving this ability is a critical component to continuing temporary events at many venues. The Emerald Cup Team respectfully requests that the BCC continue to allow alcohol and tobacco sales and consumption when conducted in the manner outlined above and issue an FAQ clarifying these activities.

#10

COMPLETE

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Page 1

Q1 First Name (Optional)

Tiffany

Q2 Last Name (Optional)

Kelly

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Co-founder

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Licensing Application Subcommittee

Q6 Feedback for Subcommittee

I operate a delivery service in Contra Costa County. Last year we paid over 100k in sales tax and service over 3000 patients. I'm being told by every city council that they will not be offering permits til November or possibly 2019. We need emergency permits for the areas that haven't figured this. We have worked in this industry for more than 10 years. It's what we have dedicated our lives to. We employ 10 staff members and have done this all with none of aid of any of the services afforded any other business. Why are doing this to everyone that built a successful framework. It's not fair.

#11

COMPLETE

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IP Address: 74.62.3.2

Page 1

Q1 First Name (Optional)

John

Q2 Last Name (Optional)

Plata

Q3 Organization (Optional)

Legal Department, Agua Caliente Band of Cahuilla Indians

Q4 Title (Optional)

General Counsel

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Licensing Application
Subcommittee**

Q6 Feedback for Subcommittee

LICENSING SUBCOMMITTEE

PUBLIC COMMENT

Title 16, Division 42 of the California Code of Regulations (BCC)

Title 3, Division 8 of the California Code of Regulations (CDFA)

Title 17, Division 1, Chapter 13 (CDPH)

These comments are submitted on behalf of the Office of General Counsel of the Agua Caliente Band of Cahuilla Indians (Tribe). The Office of General Counsel appreciates the opportunity to provide comments on these regulations, which affect issues of local, state, and tribal jurisdiction. The very abbreviated regulatory process adopting the emergency regulations did not satisfy the mandate in Executive Order B-10-11 which provides that all executive agencies shall consult with California Indian Tribes to ensure tribal governments are afforded the opportunity to provide “meaningful input into the development of legislation, regulations, rules, and policies on matters that may affect tribal communities.” The emergency regulations do not adequately take into account the unique status of federally recognized Indian tribes, tribal sovereignty, and tribal-state relations within the state of California.

1. We propose that the Subcommittee pass a motion recommending striking Section 5009(a) and (c), Section 40133(a) and (c), and Section 8102(z)(1) in their entirety. Section 5009(a) of the BCC regulations, Section 40133 of the CDPH regulations, and Section 8102(z) of the CDFA regulations require that a federally recognized Indian tribe waive any sovereign immunity defense that the applicant may have to obtain a state license and purports to subject tribes to state civil regulatory laws. If a tribe remains unlicensed, it will be a violation for state licensed entities to conduct commercial cannabis activity with the tribe. See Section 5032. This is a significant and unnecessary intrusion into tribal sovereignty by the state.

2. We propose that the Subcommittee pass a motion recommending that Section 5009(b), Section 40133(b), and Section 8102(z)(2) be amended to additionally require that the state shall not approve an application for a state license if approval of the license would violate the provisions of tribal law. To ensure licenses are only issued in jurisdictions that have authorized commercial cannabis activity, if a tribe provides its applicable law to the state, the state should consider tribal ordinances, tribal enforcement actions, and other applicable tribal authorities in addition to local ordinances and regulations when issuing licenses for commercial cannabis activity. Several sections of the emergency regulations should be revised to reflect that the state will consider applicable tribal law before issuing commercial cannabis licenses or carrying out disciplinary measures, including but not limited to: Section 5001(c)12, Section 5002(c)(20)(M), Section 5002(c)(28), Section 5018(f), Section 5035(c), Section 5037(a)(5), Section 5600(g)(18)(M), Section 5601(d)(8), and Section 5603(e). The Tribe has promulgated a “Commercial Cannabis Prohibition Ordinance,” an Ordinance prohibiting all commercial cannabis activity within its jurisdiction, in close cooperation with cities and the County of Riverside in order to address concerns of overlapping jurisdiction.

We thank you for considering these comments and revisions.

#12

COMPLETE

Collector: Web Link 1 (Web Link)
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Time Spent: 00:03:23
IP Address: 184.63.163.200

Page 1

Q1 First Name (Optional)

Monique

Q2 Last Name (Optional)

Ramirez

Q3 Organization (Optional)

Covelo Cannabis Advocacy Group

Q4 Title (Optional)

Founder

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Licensing Application
Subcommittee**

Q6 Feedback for Subcommittee

Please consider a price reduction in renewals of annual license applications. If an applicant is approved for their annual license and continues to operate each year, a reduced fee should be applied when they renew their license.

#13

COMPLETE

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IP Address: 73.185.109.152

Page 1

Q1 First Name (Optional)

Jassy

Q2 Last Name (Optional)

Grewal

Q3 Organization (Optional)

United Food and Commerical Workers (UFCW) Western States Council

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Licensing Application Subcommittee

Q6 Feedback for Subcommittee

PROPOSED CANNABIS LICENSING REGULATIONS: WORKER SAFETY, PUBLIC ACCOUNTABILITY IGNORED.

Cannabis business applicants that have records of violating labor laws or that are incapable of complying with them should not be able to hide these facts from the Bureau of Cannabis Control, the Departments of Agriculture and Public Health. Nor should the Regulators' application process be conducted entirely in secret.

Under the Regulations, an applicant with a record of violating federal or state labor laws would not have to disclose such a history and therefore could be wrongly and unlawfully approved.

Prop. 64 prohibits "knowing violations of any state or local law, ordinance, or regulation conferring worker protections or legal rights on the employees of a licensee." Proposed Bureau of Cannabis Control Regulation section 5021(a) in part correctly provides that "[t]he Bureau may deny an application for a new license or a renewal ... on any additional grounds including ... grounds for discipline under the Act or this division." But even though knowing violations of

Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

grounds for discipline under the Act of this division. But, even though knowing violations of labor law are a ground for discipline, and even though this Bureau regulation correctly provides that grounds for discipline after a license is issued is also grounds to deny one, the Regulations inexplicably nowhere require applicants simply to self-report prior labor law enforcement actions.

The Regulations must be revised to require simple self-reporting of labor law enforcement actions as the Regulations require self-reporting of criminal history.

–X Under the Regulations, an applicant that has no capacity on day-one to comply with key labor laws such as having workers' compensation insurance can keep that incapacity secret and could therefore be wrongly and unlawfully approved.

Is the applicant when it opens its doors able to comply with payroll tax requirements? Does the applicant have workers' compensation insurance in case a worker gets hurt? The Regulations do not ask these operation-critical questions needed to ensure that applicants are not open their doors unlawfully.

The Regulations must be revised to require simple self-reporting showing applicants can actually operate as lawful employers.

–X Under the Regulations, important statutes intended to promote business stability are poorly implemented.

The Legislature adopted statutes to promote stability by requiring applicants enter into labor peace agreements. Achieving this goal means the labor peace provisions of the regulations must be effective. But, the Regulations require that the state-approving agencies simply take the word of the applicant that such an agreement exists and then wrongly seeks verification by requiring disclosure of private documents that may contain private matters between a union and business.

The Regulations should require applicants with more than 20 employees to verify entry into a labor peace agreement by submitting a declaration from a bona-fide labor organization instead of a full, private agreement. For applicants with less than 20 employees, the affirmation that they will enter one within 30 days of having 20 employees should be under penalty of perjury like the rest of the application.

–X Under the Regulations, the entire application process is kept secret; applicants can be approved without the ability of the public to know who has applied or offer comment.

The Regulations do not allow the public to be made aware of: when license applications are submitted, who is submitting applications, when applications are granted, when applications are denied, what the applications state, what information is submitted with applications, or when licenses are revoked or otherwise impaired. The same transparency and accountability that exists for other State regulatory processes and are especially needed here, with an industry emerging from the shadows, that broadly implicates worker and public health, and the Regulators are undertaking an unprecedented regulatory challenge.

The Regulations must simply require that applications already in electronic form be uploaded and available for public review and that the public be permitted some means of commenting on an application prior to approval.

SUMMARY: THE NEW AND CHALLENGING REGULATORY TASK OF OFFERING STATE APPROVAL TO THOUSANDS OF CANNABIS BUSINESSES SHOULD NOT DEBUT CLOAKED IN SECRECY, WITHOUT PROTECTING THOSE WHO WILL WORK IN THIS NEW INDUSTRY.

#14

COMPLETE

Collector: Web Link 1 (Web Link)
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Page 1

Q1 First Name (Optional)

heidi

Q2 Last Name (Optional)

Respondent skipped this question

Q3 Organization (Optional)

Respondent skipped this question

Q4 Title (Optional)

Respondent skipped this question

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Licensing Application Subcommittee

Q6 Feedback for Subcommittee

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e)

A licensee shall not give away any amount of cannabis or cannabis products, or any cannabis accessories, as part of a business promotion or other commercial activity

--

(a) A licensed dispensary shall not provide free samples of medical cannabis goods to any person.

[Issue] Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults it's reasonable to assume sampling on-site can be done safely.

[Recommendation] We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

(b) A licensed dispensary shall not allow representatives of other companies or organizations to provide free samples of medical

Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

cannabis goods to individuals on the licensed dispensary premises.

We need to be able to offer sales samples to dispensary buyers. In order to grow our business effectively we need to be able to open up new accounts. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

Recommendation: We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retain units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

(a) (1) Effective January 1, 2018, a cannabis excise tax shall be imposed upon purchasers of cannabis or cannabis products sold in this state at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer. A purchaser's liability for the cannabis excise tax is not extinguished until the cannabis excise tax has been paid to this state except that an invoice, receipt, or other document from a cannabis retailer given to the purchaser pursuant to this subdivision is sufficient to relieve the purchaser from further liability for the tax to which the invoice, receipt, or other document refers.

(e) Cannabis or cannabis products shall not be sold to a purchaser unless the excise tax required by law has been paid by the purchaser at the time of sale.

Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA, and allow manufacturers to more quickly compete in the market.

Recommendation: Above, we have outlined ways that we think manufacturers and distributors should be allowed to provide B2B samples, as well as consumer samples. We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup

5411. Free Cannabis Goods

(a) A retailer shall not provide free cannabis goods to any person.

Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers.

A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase.

In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers.

The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as "not for sale" and limit the quantity/size of sample to a single serving/dose.

Extend time to conduct business irrespective of M & A designation: CCR § 5029

Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

Recommendation: Thank you for including this! It would be helpful if you could extend the time frame in which licensees may conduct business with other licensees irrespective of the M or A designation on their licenses. Businesses need more time to comply with regulations and this extension will allow legislators to pursue statutory change for a single state A&M license.

#15

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, February 21, 2018 7:09:23 PM
Last Modified: Wednesday, February 21, 2018 7:18:52 PM
Time Spent: 00:09:28
IP Address: 70.36.224.178

Page 1

Q1 First Name (Optional)

Chiah

Q2 Last Name (Optional)

Rodriques

Q3 Organization (Optional)

Mendocino Generations

Q4 Title (Optional)

Operations Director

Q5 Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

Licensing Application Subcommittee

Q6 Feedback for Subcommittee

High fees for cultivation licenses are very high, especially for Mixed light. Many cultivators who do "Light Deprivation", which means they pull a tarp over PVC or simple hoop houses should not have to pay over double the license fees if they do not use electrical lights to manipulate plants grow cycle. Many small farmers rely on the smaller early harvest in the summer from their light dept rounds. I saw a survey done that created the definitions and license types, as well as fees for these licenses, and it was only based on 303 survey participants.

<https://static.cdfa.ca.gov/MCCP/document/Light%20Survey%20Results.pdf>

I would like to know, who were those 303 cultivators? I think more time and effort should be spent on setting fees that effect small farms in a large way. Please consider reducing the fees for mixed light or else changing the definition of mixed light to not include light deprivation using no electricity. These farmers should only be considered outdoor with no electrical use.
