

INSTRUCTIONS FOR COMPLETING THE CANNABIS TESTING LABORATORY APPLICATION

SECTION A – APPLICANT/BUSINESS INFORMATION

Testing Laboratory: A laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products.

Business Organizational Structure

All applicants are required to identify their business organizational structure. (See Required Attachments)

Business Contact Information

If an individual, the first and last name of the applicant must be provided. If the applicant is a business entity, then the full legal business name is required. The applicant business name must be identical to the name listed on the business-formation documents submitted to the Bureau. The applicant must provide the physical address of the premises, and the mailing address if it is different. The applicant must also provide the business website address, email address, and telephone number.

Social Security Number/Individual Taxpayer Identification Number/ Federal Employer Identification Number

Each applicant must provide a valid United States Social Security Number (SSN), Individual Taxpayer Identification Number (ITIN), or a Federal Employer Identification Number (FEIN), before an application can be approved.

SECTION B – PRIMARY CONTACT PERSON

The primary contact is the individual who is designated as the person the licensing authorities can contact for information regarding the business. The applicant must provide the primary contact's name, title, telephone number, and email address. The Bureau staff will only discuss the license application with this person and an owner listed on the business.

SECTION C – DECLARATIONS

Premises Location

Applicants shall attest that the premises is not 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 or shall provide evidence that the local jurisdiction has approved a different radius. (See Required Attachments).

Limited Waiver of Sovereign Immunity

If the applicant is a federally recognized tribe or other sovereign entity, a limited waiver is required. (See Required Attachments)

Compliance with the California Environmental Quality Act

All applicants shall provide evidence of compliance with, or exemption from, the California Environmental Quality Act (CEQA). (See Required Attachments)

Seller's Permit

The applicant shall provide a seller's permit number issued by the California Department of Tax and Fee Administration (CDTFA). If the applicant has not yet received a seller's permit, it shall attest that it is applying for one.

State Employment Identification Number

If the applicant has more than one employee, it shall provide a State Employment Identification Number (SEIN) issued by the California Employment Development Department.

Labor Peace Agreement

If the applicant has 20 or more non-supervisory employees, the applicant must have either (a) entered into a labor peace agreement and provide a copy of the signature page along with a notarized statement that it will abide by the terms of the agreement, or (b) provide a notarized statement indicating that it will enter into and abide by a labor peace agreement as soon as reasonably practicable. If the applicant does not have 20 or more non-supervisory employees, it must provide a notarized statement indicating that it will enter into and abide by a labor peace agreement within 60 days of hiring its 20th non-supervisory employee. (See Required Attachments)

Cal-OSHA

If the applicant has more than one employee, it shall attest that it employs, or will employ within one year of renewing the license, one supervisor and one employee who has successfully completed a Cal-OSHA 30-hour general industry outreach course offered by a training provider that is authorized by an OSHA Training Institute Education Center.

ISO/IEC Accreditation

Applicants seeking licensure as a Testing Laboratory must attest that they currently have, or are in the process of obtaining International Organization for Standardization (ISO)/International Electrotechnical Commission (IEC) accreditation.

SECTION D – LIST OF OWNERS

An individual is considered an owner under the following circumstances:

- A person with an aggregate ownership interest of 20% or more.
- The CEO of a non-profit or other entity.
- A member of the board of directors of a nonprofit.
- The trustee(s) and all persons that have control of the trust and or the commercial cannabis business that is held by a trust.
- An individual entitled to a share of at least 20 percent of the profits of the commercial cannabis business.
- An individual who will be participating in the direction, control or management of the person applying for the license. This could include:
 - A general partner of a commercial cannabis business organized as a general partnership.
 - A non-member, manager, or managing member of a commercial cannabis business organized as a limited liability company.
 - An officer or director of a commercial cannabis business that is organized as a corporation.

Each owner must complete an Owner Submittal form and must electronically submit fingerprint images to the Department of Justice (DOJ). The applicant must use the live scan form provided by the Bureau. Live Scan locations can be found at: <https://oag.ca.gov/fingerprints/locations>

SECTION E – ENTITY OWNERSHIP

Entity owners are businesses, trusts, or organizations that have a financial interest in the applicant and may or may not qualify as an owner.

- **When an entity is an owner** in a commercial cannabis business, all entities and individuals with a financial interest in the entity shall be disclosed to the Bureau and may be considered owners of the commercial cannabis business. This includes all entities in a multi-layer business structure, as well as the chief executive officer, members of the board of directors, partners, trustees and all persons that have control of a trust, and managing members or non-member managers of the entity. Each entity disclosed as having a financial interest must disclose the identities of persons holding financial interests until only individuals remain.
- **When an entity has a financial interest** in a commercial cannabis business, then all individuals who are owners of that entity shall be considered financial interest holders of the commercial cannabis business. This includes all entities in a multi-layer business structure, as well as the chief executive officer, members of the board of directors, partners, trustees and all persons that have control of a trust, and managing members of non-member managers of the entity. Each entity disclosed as having a financial interest must disclose the identities of persons holding financial interests until only individuals remain.

SECTION F – NON-OWNERS WITH A FINANCIAL INTEREST IN THE BUSINESS

Non-owners are all individuals who have a financial interest in the applicant business but do not qualify as an owner as defined above.

A financial interest means an agreement to receive a portion of the profits of a commercial cannabis business, an investment into a commercial cannabis business, a loan provided to a commercial cannabis business, or any other equity interest in a commercial cannabis business except as provided in Bureau Regulations section 5004(d).

An agreement to receive a portion of the profits includes, but is not limited to, the following individuals:

- An employee who has entered into a profit share plan with the commercial cannabis business.
- A landlord who has entered into a lease agreement with the commercial cannabis business for a share of the profits.

- A consultant who is providing services to the commercial cannabis business for a share for a share of the profits.
- A person acting as an agent, such as an accountant or attorney, for the commercial cannabis business for a share of the profits.
- A broker who is engaging in activities for the commercial cannabis business for a share of the profits.
- A salesperson who earns a commission.

SECTION G – FICTITIOUS BUSINESS NAMES

The applicant must provide a list of all fictitious business names they will operate under and the address of the businesses.

SECTION H – LICENSING FEE DETERMINATION

In determining the appropriate license fee due, the applicant shall first estimate the gross revenue for the 12-month license period of the license. Based on the license type sought, the applicant shall identify the appropriate tier category in which their expected gross revenue belongs as provided in Bureau Regulations section 5014.

SECTION I – REQUIRED ATTACHMENTS/DOCUMENTS

Evidence of Legal Right to Occupy

If the applicant owns the property, a copy of title or deed must be provided. If the applicant does not own the property, a statement from the property owner that the applicant has the legal right to occupy the property to perform commercial cannabis activities and a copy of the applicant's rental agreement must be provided.

Premises Diagram - http://bcc.ca.gov/clear/premises_diagram.pdf

Applicants are required to provide a diagram of the premises, which must be drawn to scale and clearly identify the following:

- Boundaries of the property. If only a portion of the property is used for the cannabis business, the applicant must label the other areas and state what they are being used for.
- If the premises is located on only a portion of the property that includes a residence, the diagram shall clearly show the designation of the buildings for the premises and the residence.
- Dimensions of all rooms and the premises.
- Entrances, exits and walls under exclusive control of the applicant as well as designated entrances and exits for each additional premises. The diagram shall also show all common or shared areas of the property; lobbies, hallways, bathrooms, and breakrooms.
- Interior partitions, windows, and doors.
- Description of cannabis activity that will be conducted in each area of the premises. Commercial cannabis activities that must be identified on the diagram may include the following, if applicable to business operations; storage, batch sampling, loading/unloading of shipments, packaging and labeling, customer sales, loading for deliveries, extractions, infusions, cultivation, and/or processing.
- Limited access areas. Defined as areas in which cannabis goods are stored or held and only accessible to a licensee, its employees and contractors.
- Numbering and location of all cameras.

Business Formation Documents

Applicants are required to provide a copy of all business formation documents (by type). If the business is held in a trust, the applicant shall provide a copy of the trust. Below is a list of the types of business structure and the common types of supporting documentation:

- **Corporation:** Articles of Incorporation, Statement of Information, Certificate of Stock, Stock Ledger, Organizational charts, Bylaws, List of Board Members.
- **General Partnership:** Partnership Agreement, Statement of Partnership Authority, Tax forms.
- **Limited Liability Company:** Articles of Organization, Statement of Information, Operating Agreements.
- **Limited Partnership:** Partnership Agreements, Certificates of Limited Partnership, Operating Agreements, tax forms.
- **Trusts:** Certificate of Trust establishing Trustee Authority.
- **Sole Proprietor:** Fictitious Business Name form filed with local business permit office, Tax forms. The documentation must support the type of business structure, the legal business name and the owners including their ownership percentage.
- **Foreign Corporation or Foreign Limited Liability Company:** Statement and Designation by Foreign Professional Corporation, Certificate of Qualification, Certificate of Registration, or Certificate of Status issued by the California Secretary of State.

Limited Waiver of Sovereign Immunity

If an applicant can assert a defense of sovereign immunity, the applicant must submit a written limited waiver of sovereign immunity to the Bureau with any license application or renewal, which must be valid for the period of the license. The written waiver must include they will abide by all state laws, rules, and regulations governing commercial cannabis activity. The applicant must provide proof they have the lawful authority to enter into the waiver and the waiver must be signed and dated by the authorized person.

California Environment Quality Act (CEQA) Compliance

All applicants shall provide evidence of exemption from, or compliance with Division 13 of the Public Resources Code; California Environmental Quality Act (CEQA). The evidence provided shall be one of the following:

- A copy of the applicant's license, permit or other authorization from the local jurisdiction if the local jurisdiction has adopted an ordinance, rule, or regulation pursuant to Business and Professions Code (BPC) section 26055(h) that requires discretionary review and approval of permits, licenses, or other authorizations to engage in commercial cannabis activity.
- A copy of the Notice of Determination or Notice of Exemption and a copy of the CEQA document. If the applicant does not wish to provide a copy of the license, permit, or other authorization provided by the local jurisdiction or if the jurisdiction has not adopted an ordinance, rule or regulation pursuant to BPC section 26055(h) that requires discretionary review and approval of permits, licenses, or other authorization to engage in commercial cannabis activity, the applicant may provide reference to where it can be located electronically.
- If an applicant does not have the evidence required above, or if the local jurisdiction did not prepare a CEQA document, the applicant will be responsible for the preparation of an environmental document in compliance with CEQA that can be approved or certified by the Bureau, unless the Bureau specifies otherwise.

Labor Peace Agreement

The applicant must provide an attachment(s) responsive to one of the following:

- If the applicant **has** 20 or more non-supervisory employees and **has** entered into a labor peace agreement, it must provide a notarized statement indicating that it has entered into and will abide by the terms of a labor peace agreement along with a copy of the signature page of the agreement.
- If the applicant **has** 20 or more non-supervisory employees and **has not** yet entered into a labor peace agreement, it must provide a notarized statement indicating that it will enter into and abide by the terms of a labor peace agreement as soon as reasonably practicable.
- If the applicant **does not have** 20 or more non-supervisory employees, it must provide a notarized statement indicating that it will enter into and abide by the terms of a labor peace agreement within 60 days of employing its 20th non-supervisory employee.

Financial Information Form - http://bcc.ca.gov/clear/financial_information_form.pdf

Applicants are required to provide a list of all investments, loans, funds, and gifts associated with the cannabis business.

Surety Bond - http://bcc.ca.gov/clear/licensee_bond.pdf

The applicant must hold a \$5,000 surety bond payable to the State of California. The surety bond is to cover the destruction of cannabis and cannabis goods if necessitated by a violation of the licensing requirements.

Required Operating Procedures for all License Types - <http://bcc.ca.gov/clear/forms.html>

- **Transportation Procedures:**
Describes how the applicant proposes to ensure cannabis is transported securely. If the applicant will not transport cannabis they must state that they will be contracting for transportation.
- **Inventory Procedures:**
Describes how the applicant will receive shipments of cannabis, store its cannabis inventory, perform inventory reconciliation, ensure inventory records are accurate, and maintain records of the inventory.
- **Security Procedures:**
Describes the applicant's procedures for allowing individuals access to the premises. Describes the applicant's video surveillance system, which includes camera placement and maintenance of the video surveillance equipment. Describes how all access points will be secure, including the use of security personnel and a description of the applicant's alarm system.

Additional Required Documents Specific to License Type

Testing Laboratory:

- **ISO/IEC 17025 Accreditation:** Testing laboratories must obtain and maintain ISO/IEC 17025 accreditation. Acceptable accreditation must attest to the testing laboratory's competence to perform testing of the following:
 - Cannabinoids, heavy metals, microbial impurities, mycotoxins, residual pesticides, residual solvents and processing chemicals and terpenoids (if tested).
- **Testing Methods – Standard Operating Procedures (SOPs)** - <http://bcc.ca.gov/clear/forms.html>
Procedures for the following testing methods must be provided:
 - Cannabinoids, foreign material, heavy metals, microbial impurities, moisture content and water activity, mycotoxins, residual pesticides, residual solvents and processing chemicals, terpenoids (if tested) and homogeneity (if tested).
- **Sample Preparation – SOPs** - <http://bcc.ca.gov/clear/forms.html>
Procedures for the sample preparation of cannabis and cannabis products.
- **Sampling – SOPs** - <http://bcc.ca.gov/clear/forms.html>
Procedures for the sampling of Cannabis and Cannabis Products.

Exception: Testing Laboratories may be issued a provisional license prior to obtaining ISO/IEC 17025 accreditation provided that the applicant provides the above-required SOPs.

Additional Information

Incomplete Application

If the application is incomplete, a notification will be sent to all owners listed on the application with details regarding the information still needed to process the application. Notification of incomplete information on an Owner Submittal will only be sent to the specific owner.

Withdrawal of Application

If the applicant wishes to withdraw the submitted application, a written withdrawal request, including the date and signature of at least one owner must be submitted.

License Approval

Upon approval of the application, the applicant will be required to pay a license fee, which is independent of the application fee. Once the license fee is received, the license number will be issued to the applicant. The applicant may not conduct any cannabis activity until a license is received from the Bureau.