

**BUREAU OF CANNABIS  
CONTROL  
TEXT OF REGULATIONS**

**CALIFORNIA CODE OF REGULATIONS  
TITLE 16  
DIVISION 42. BUREAU OF CANNABIS CONTROL**

*Proposed amendments to the regulatory language are shown in single underline for new text and ~~single strikethrough~~ for deleted text.*

**Chapter 1. ALL BUREAU LICENSEES**

**Article 2. Applications**

**§ 5002. Annual License Application Requirements.**

(a) Applications may be completed and submitted online at [www.bcc.ca.gov](http://www.bcc.ca.gov) or completed in hard copy and submitted by delivering a printed copy to the Bureau's office(s).

(b) Applicants who submit their applications online shall first register for a user account. To register for a user account, the applicant shall do all of the following:

(1) Create a user name, password, and security question and answer;

(2) Provide an email address; and

(3) Provide the owner's first and last name, primary phone number, social security number or individual taxpayer identification number, date of birth, and mailing address.

(c) An application must be completed by an owner as defined by section 5003 of this division. An application must be submitted to the Bureau for each location and each license type. An application for an annual cannabis license includes the following:

(1) The name of the applicant. For applicants who are individuals, the applicant shall provide both the first and last name of the individual. For applicants who are business entities, the applicant shall provide the legal business name of the applicant.

(2) If applicable, the business trade name ("DBA") of the applicant.

(3) The commercial cannabis license that the applicant is applying for, and whether the applicant is requesting that the license be designated as medicinal, adult-use, or both. Testing laboratory applicants do not have to designate medicinal or adult-use, as testing laboratory licenses allow the holder to test both medicinal and adult-use cannabis.

(4) Payment of an application fee pursuant to section 5014 of this division.

- (5) Whether the owner is serving or has previously served in the military. Disclosure of military service is voluntary. An applicant who has served as an active duty member of the Armed Forces of the United States and was honorably discharged and who can provide evidence of such honorable discharge shall have his or her application expedited pursuant to Business and Professions Code section 115.4.
- (6) A list of the license types and the license numbers issued from the Bureau and all other state cannabis licensing authorities that the applicant holds, including the date the license was issued and the licensing authority that issued the license.
- (7) Whether the applicant has been denied a license or has had a license suspended or revoked by the Bureau or any other state cannabis licensing authority. The applicant shall provide the type of license applied for, the name of the licensing authority that denied the application, and the date of denial.
- (8) The physical address of the premises. If the Bureau is unable to confirm that the address provided is valid, then the applicant shall provide a document that confirms the physical address of the premises. Such a document may include a utility bill, printed information from the county assessor, deed, or title.
- (9) The mailing address for the applicant, if different from the premises address.
- (10) The telephone number for the premises.
- (11) The website address and email address of the applicant's business.
- (12) The business' federal employer identification number.
- (13) Contact information for the applicant's designated primary contact person including the name, title, phone number, and email address of the individual.
- (14) A description of the business organizational structure of the applicant, such as partnership or corporation.
- (15) All business-formation documents, which may include, but are not limited to, articles of incorporation, bylaws, operating agreements, partnership agreements, and fictitious business name statements. The applicant shall also provide all documents filed with the California Secretary of State, which may include, but are not limited to, articles of incorporation, certificates of stock, articles of organization, certificates of limited partnership, and statements of partnership authority. If the commercial cannabis business is held in trust, the applicant shall provide a copy of the certificate of trust establishing trustee authority.
- (16) A list of every fictitious business name the applicant is operating under including the address where the business is located.
- (17) A commercial cannabis business that is a foreign corporation or foreign limited liability company shall include in its application a certificate of qualification, certificate of registration, or certificate of status issued by the California Secretary of State.

(18) The applicant shall supply the following financial information:

(A) A list of funds belonging to the applicant held in savings, checking, or other accounts maintained by a financial institution. The applicant shall provide, for each account, the financial institution's name, the financial institution's address, account type, account number, and the amount of money in the account.

(B) A list of loans made to the applicant. For each loan, the applicant shall provide the amount of the loan, the date of the loan, term(s) of the loan, security provided for the loan, and the name, address, and phone number of the lender.

(C) A list of investments made into the applicant's commercial cannabis business. For each investment, the applicant shall provide the amount of the investment, the date of the investment, term(s) of the investment, and the name, address, and phone number of the investor.

(D) A list of all gifts of any kind given to the applicant for its use in conducting commercial cannabis activity. For each gift, the applicant shall provide the value of the gift or description of the gift, and the name, address, and phone number of the provider of the gift.

(19) A complete list of every individual who has a financial interest in the commercial cannabis business as defined in section 5004 of this division, who is not an owner as defined in section 5003 of this division.

(20) A complete list of every owner of the applicant as defined in section 5003 of this division. Each individual named on this list shall submit the following information:

(A) The full name of the owner.

(B) The owner's title within the applicant entity.

(C) The owner's date of birth and place of birth.

(D) The owner's social security number or individual taxpayer identification number.

(E) The owner's mailing address.

(F) The owner's telephone number. This may include a number for the owner's home, business, or mobile telephone.

(G) The owner's email address.

(H) The owner's current employer.

(I) The percentage of the ownership interest held in the applicant entity by the owner.

(J) Whether the owner has an ownership or a financial interest as defined in sections 5003 and 5004, respectively, of this division in any other commercial cannabis business licensed under the Act.

(K) A copy of the owner's government-issued identification. Acceptable forms of identification are a document issued by a federal, state, county, or municipal government that includes the name, date of birth, height, gender, and picture of the person, such as a driver license.

~~(L) A detailed description of the owner's convictions. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Convictions dismissed under Penal Code section 1203.4 or equivalent non-California law must be disclosed. Convictions dismissed under Health and Safety Code section 11361.8 or equivalent non-California law must be disclosed. Juvenile adjudications and traffic infractions under \$300 that did not involve alcohol, dangerous drugs, or controlled substances do not need to be included. For each conviction, the owner shall provide the following:~~

~~(i) The date of conviction.~~

~~(ii) Dates of incarceration, if applicable.~~

~~(iii) Dates of probation, if applicable.~~

~~(iv) Dates of parole, if applicable.~~

~~(v) A detailed description of the offense for which the owner was convicted.~~

~~(vi) An owner may submit information regarding any past convictions, along with mitigating information regarding the owner's criminal history, to assist the Bureau in determining whether each conviction is substantially related to the license applied for, or as evidence of rehabilitation. Disclosure of criminal history and mitigating information is voluntary. An owner's decision not to disclose any criminal history or mitigating information shall not be a factor in the decision to grant or deny a license. A statement of rehabilitation for each conviction. The statement of rehabilitation is to be written by the owner and Mitigating information may contain evidence that the owner would like the Bureau to consider that demonstrates the owner's fitness for licensure. Supporting evidence may be attached to the statement of rehabilitation and may include, but is not limited to, a certificate of rehabilitation under Penal Code section 4852.01; proof of a dismissal pursuant to Penal Code sections 1203.4, 1203.4a, or 1203.41; and dated letters of reference from employers, instructors, or professional counselors that contain valid contact information for the individual providing the reference.~~

(M) If applicable, a detailed description of any administrative orders or civil judgments for violations of labor standards, any suspension of a commercial cannabis license, revocation of a commercial cannabis license, or sanctions for unlicensed commercial cannabis activity by a licensing authority, local agency, or state agency against the applicant or a business entity in which the applicant was an owner or officer within the three years immediately preceding the date of the application.

(N) Attestation to the following statement: Under penalty of perjury, I hereby declare that the information contained within and submitted with the application is complete, true,

and accurate. I understand that a misrepresentation of fact is cause for rejection of this application, denial of the license, or revocation of a license issued.

(21) Evidence that the applicant has the legal right to occupy and use the proposed location that complies with section 5007 of this division.

(22) Evidence that the proposed premises is in compliance with Business and Professions Code section 26054(b) and section 5026 of this division.

(23) For an applicant with 20 or more employees, the applicant shall attest that the applicant has entered into a labor peace agreement and will abide by the terms of the agreement. The applicant shall submit a copy of the page of the labor peace agreement that contains the signatures of the union representative and the applicant. For applicants who have not yet entered into a labor peace agreement, the applicant shall provide a notarized statement indicating that the applicant will enter into and abide by the terms of a labor peace agreement as soon as reasonably practicable after licensure.

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

(25) A diagram of the premises as required by section 5006 of this division.

(26) Proof of a bond as required by section 5008 of this division.

(27) For testing laboratory applications, the certificate(s) of accreditation as required by section 5702 of this division, or the information required for an interim license as required by section 5703 of this division.

(28) When an applicant provides a license, permit, or other authorization from the local jurisdiction where the licensed premises will be or is located, the Bureau will notify the applicable local jurisdiction to confirm the validity of the authorization. If the local jurisdiction does not respond within 10 calendar days, the Bureau shall consider the authorization valid.

(29) All license applications shall include a detailed description of the applicant's operating procedures. Applicants shall use and submit to the Bureau the following forms, which are incorporated by reference:

(A) Transportation Procedures, Form BCC-LIC-015 (New 10/18)

(B) Inventory Procedures, Form BCC-LIC-016 (New 7/18)

(C) Non-Laboratory Quality Control Procedures, Form BCC-LIC-017 (New 10/18)

(D) Security Procedures, Form BCC-LIC-018 (New 10/18)

(E) Delivery Procedures, Form BCC-LIC-020 (New 10/18)

(30) For applicants applying for a microbusiness license, the application shall include a detailed description of the applicant's operating procedures required by this section for each cannabis activity the applicant intends to engage in.

(31) For applicants applying for a testing laboratory license, in addition to the operating procedures required under subsection (c)(29) of this section, the standard application shall include the operating procedures required by Chapter 6 of this division.

(32) The limited waiver of sovereign immunity required by section 5009 of this division, if applicable.

(33) Evidence of exemption from, or compliance with, the California Environmental Quality Act as required by sections 5010-5010.3 of this division.

(34) The applicant's State Employer Identification Number (SEIN) issued by the California Employment Development Department.

(35) For an applicant with more than one employee, the applicant shall attest that the applicant employs, or will employ within one year of receiving a license, one supervisor and one employee who have 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 to provide the course.

Authority cited: Sections 115.4 and 26013, Business and Professions Code. Reference: Sections 115.4, 144, 480, 26012, 26050, 26051.5 and 26055, Business and Professions Code.

### **Article 3. Licensing**

#### **§ 5017. Substantially Related Offenses and Criteria for Rehabilitation.**

(a) When evaluating whether an applicant or licensee has been convicted of a criminal offense, act, or professional misconduct that is substantially related to the qualifications, functions, or duties of the business for which the application is made, the Bureau shall consider all of the following criteria:

(1) The nature and gravity of the offense;

(2) The number of years that have elapsed since the date of the offense; and

(3) The nature and duties of the particular license the applicant seeks or the licensee holds.

(ab) For the purpose of this section, conviction means a judgement following a plea or verdict of guilty or a plea of nolo contendere or finding of guilt. For the purpose of license denial, suspension or revocation, convictions that are substantially related to the qualifications, functions, or duties of the business for which the application is made include, but are not limited to:

(1) A violent felony conviction, as specified in Penal Code section 667.5(c).

- (2) A serious felony conviction, as specified in Penal Code section 1192.7(c).
- (3) A felony conviction involving fraud, deceit, or embezzlement.
- (4) A felony conviction for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.
- (5) A felony conviction for drug trafficking with enhancements pursuant to Health and Safety Code section 11370.4 or 11379.8.

(bc) Except as provided in subsections (a)(4) and (a)(5) of this section and notwithstanding Chapter 2 (commencing with Section 480) of Division 1.5 of the Business and Professions Code, a prior conviction, where the sentence, including any term of probation, incarceration, or supervised release, is completed, for possession of, possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance is not considered substantially related, and shall not be the sole ground for denial of a license. Conviction for any controlled substance felony, subsequent to licensure, shall be grounds for revocation of a license or denial of the renewal of a license.

(ed) When evaluating whether an applicant who has been convicted of a criminal offense, act, or professional misconduct that is substantially related to the qualifications, functions, or duties of the business for which the application is made should be issued a license, the Bureau shall consider the following criteria of rehabilitation:

- (1) The nature and ~~severity~~ gravity of the act, professional misconduct, or offense;
- (2) Whether the person has a felony conviction based on possession or use of cannabis or cannabis products that would not be a felony if the person was convicted of the offense on the date of the person's application;
- (3) The applicant's criminal record as a whole;
- (4) Evidence of any act, professional misconduct, or offense committed subsequent to the act or offense under consideration that could be considered grounds for denial, suspension, or revocation of a commercial cannabis activity license;
- (5) The time that has elapsed since commission of the act, professional misconduct, or offense;
- (6) The extent to which the applicant has complied with any terms of parole, probation, restitution, or any other sanctions lawfully imposed against the applicant;
- (7) If applicable, evidence of dismissal under Penal Code sections 1203.4, 1203.4a, 1203.41, 1203.42, has been granted clemency or a pardon by a state or federal executive, or pursuant to another state's similar law;

(8) If applicable, a certificate of rehabilitation obtained under Penal Code section 4852.01, pursuant to Section 482, or another state's similar law; and

(9) Other evidence of rehabilitation submitted by the applicant.

~~(de)~~ If an applicant has been denied a license based on a conviction, the applicant may request a hearing pursuant to Business and Professions Code section 26058 to determine if the applicant should be issued a license.

Authority cited: Section 26013, Business and Professions Code. Reference: Sections 141, 480, 481, 482, 26012 and 26057, Business and Professions Code.

### **§ 5021. Denial of License.**

(a) The Bureau may deny an application for a new license or a renewal of a license for any reason specified in Business and Professions Code section 26057, and on any additional grounds including grounds for denial under section 5018 of this division, and grounds for discipline under the Act or this division.

(b) Upon denial of an application for a license or renewal of a license, the Bureau shall notify the applicant in writing of the reasons for denial, and the right to a hearing to contest the denial.

(c) The applicant may request a hearing to contest the denial by submitting a written request to the Bureau.

(1) The written request for a hearing must be postmarked within 30 calendar days of service of the notification of denial.

(2) If the written request for a hearing is not received within the required timeframe, the applicant's right to a hearing is waived.

(3) Upon timely receipt of the written request for hearing, the Bureau shall set a date for hearing to be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(d) If a license application is denied due to an owner's conviction history, the Bureau shall notify the applicant of the process for the owner to request a copy of their complete conviction history and question the accuracy or completeness of the record pursuant to Penal Code sections 11122 to 11127.

Authority cited: Section 26013, Business and Professions Code; Reference: Sections 26012, 26057 and 26058, Business and Professions Code.

## **Chapter 5. CANNABIS EVENTS**



## **§ 5600. Cannabis Event Organizer License.**

(a) To obtain a temporary cannabis event license, the event organizer must first apply for and obtain a cannabis event organizer license.

(b) A cannabis event organizer licensed under this section shall comply with chapter 1 of this division except for sections 5001-5002, 5006-5008, 5010-5010.3, 5016, 5019, 5025-5028, 5032-5034, 5038, 5042, 5044, and 5046-5054.

(c) A cannabis event organizer licensee is not authorized or licensed to cultivate, distribute, manufacture, or retail cannabis or cannabis products without first obtaining the appropriate licenses or authorizations to engage in such commercial cannabis activities.

(d) A cannabis event organizer licensee shall comply with the record retention provisions of section 5037 of this division. Records shall be kept by the cannabis event organizer licensee in a manner that allows the records to be produced for the Bureau in either hard copy or electronic form, whichever the Bureau requests. Failure to produce records upon the Bureau's request may result in disciplinary action against the cannabis event organizer license and/or denial of a temporary cannabis event license.

(e) Cannabis event organizer applications may be completed online at [www.bcc.ca.gov](http://www.bcc.ca.gov) or by delivering a printed copy to the Bureau's office(s).

(f) Applicants who submit their applications online shall first register for a user account as provided by section 5002(b) of this division.

(g) An application must be completed by an owner as defined by section 5003 of this division. An application for a cannabis event organizer license includes the following:

(1) The name of the applicant. For applicants who are individuals, the applicant shall provide both the first and last name of the individual. For applicants who are business entities, the applicant shall provide the legal business name of the applicant.

(2) If applicable, the business trade name ("DBA") of the applicant.

(3) Payment of an application fee pursuant to section 5014 of this division.

(4) Whether the owner is serving or has previously served in the military. Disclosure of military service is voluntary. An applicant who has served as an active duty member of the Armed Forces of the United States and was honorably discharged and who can provide evidence of such honorable discharge shall have his or her application expedited pursuant to Business and Professions Code section 115.4.

(5) A list of the license types and the license numbers issued from the Bureau and all other state cannabis licensing authorities that the applicant holds, including the date the license was issued and the licensing authority that issued the license.

(6) Whether the applicant has been denied a license or has had a license suspended or revoked by the Bureau or any other state cannabis licensing authority. The applicant

shall provide the type of license applied for, the name of the licensing authority that denied the application, and the date of denial.

(7) The mailing address for the applicant.

(8) The telephone number for the applicant.

(9) The website address of the applicant's business, if applicable.

(10) The email address for the applicant's business.

(11) Contact information for the applicant's designated primary contact person including the name, title, phone number, and email address of the individual.

(12) The federal employer identification number for the applicant's business.

(13) A description of the business organizational structure of the applicant, such as partnership or corporation.

(14) All business-formation documents, which may include, but are not limited to, articles of incorporation, bylaws, operating agreements, partnership agreements, and fictitious business name statements. The applicant shall also provide all documents filed with the California Secretary of State, which may include, but are not limited to, articles of incorporation, certificates of stock, articles of organization, certificates of limited partnership, and statements of partnership authority. If the commercial cannabis business is held in trust, the applicant shall provide a copy of the certificate of trust establishing trustee authority.

(15) A list of every fictitious business name the applicant is operating under including the address where the business is located.

(16) A commercial cannabis business that is a foreign corporation shall include in its application the certificate of qualification, certificate of registration, or certificate of status issued by the California Secretary of State.

(17) The applicant shall supply the following financial information:

(A) A list of funds belonging to the applicant's cannabis event organizing business held in savings, checking, or other accounts maintained by a financial institution. The applicant shall provide, for each account, the financial institution's name, the financial institution's address, account type, account number, and the amount of money in the account.

(B) A list of loans made to the applicant for its use in cannabis event organizing activities. For each loan, the applicant shall provide the amount of the loan, the date of the loan, term(s) of the loan, security provided for the loan, and the name, address, and phone number of the lender.

(C) A list of investments made into the applicant's cannabis event organizing activities. For each investment, the applicant shall provide the amount of the investment, the date

of the investment, term(s) of the investment, and the name, address, and phone number of the investor.

(D) A list of all gifts of any kind given to the applicant for its use in cannabis event organizing activities. For each gift, the applicant shall provide the value of the gift or description of the gift, and the name, address, and phone number of the provider of the gift.

(18) A complete list of every individual that has a financial interest in the cannabis event organizing business as defined in section 5004 of this division, who is not an owner as defined in section 5003 of this division.

(19) A complete list of every owner of the applicant as defined in section 5003 of this division. Each individual named on this list shall submit the following information:

(A) The full name of the owner.

(B) The owner's title within the applicant entity.

(C) The owner's date of birth and place of birth.

(D) The owner's social security number or individual taxpayer identification number.

(E) The owner's mailing address.

(F) The owner's telephone number. This may include a number for the owner's home, business, or mobile telephone.

(G) The owner's email address.

(H) The owner's current employer.

(I) The percentage of the ownership interest held in the applicant entity by the owner.

(J) Whether the owner has an ownership or a financial interest as defined in sections 5003 and 5004, respectively, of this division in any other commercial cannabis business licensed under the Act.

(K) A copy of the owner's government-issued identification. Acceptable forms of identification are a document issued by a federal, state, county, or municipal government that includes the name, date of birth, height, gender, and picture of the person, such as a driver license.

~~(L) A detailed description of the owner's convictions. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Convictions dismissed under Penal Code section 1203.4 or equivalent non-California law must be disclosed. Convictions dismissed under Health and Safety Code section 11361.8 or equivalent non-California law must be disclosed. Juvenile adjudications and traffic infractions under \$300 that did not involve alcohol, dangerous~~

drugs, or controlled substances do not need to be included. For each conviction, the owner shall provide the following:

~~(i) The date of conviction.~~

~~(ii) Dates of incarceration, if applicable.~~

~~(iii) Dates of probation, if applicable.~~

~~(iv) Dates of parole, if applicable.~~

~~(v) A detailed description of the offense for which the owner was convicted.~~

~~(vi) An owner may submit information regarding any past convictions, along with mitigating information regarding the owner's criminal history, to assist the Bureau in determining whether each conviction is substantially related to the license applied for, or as evidence of rehabilitation. Disclosure of criminal history and mitigating information is voluntary. An owner's decision not to disclose any criminal history or mitigating information shall not be a factor in the decision to grant or deny a license. A statement of rehabilitation for each conviction. The statement of rehabilitation is to be written by the owner and Mitigating information may contain evidence that the owner would like the Bureau to consider that demonstrates the owner's fitness for licensure Supporting evidence may be attached to the statement of rehabilitation and may include, but is not limited to, a certificate of rehabilitation under Penal Code section 4852.01; proof of a dismissal pursuant to Penal Code sections 1203.4, 1203.4a, or 1203.41; and dated letters of reference from employers, instructors, or professional counselors that contain valid contact information for the individual providing the reference.~~

(M) If applicable, a detailed description of any administrative orders or civil judgments for violations of labor standards, any suspension of a commercial cannabis license, revocation of a commercial cannabis license, or sanctions for unlicensed commercial cannabis activity by a licensing authority, local agency, or state agency against the applicant or a business entity in which the applicant was an owner or officer within the three years immediately preceding the date of the application.

(N) Attestation to the following statement: Under penalty of perjury, I hereby declare that the information contained within and submitted with the application is complete, true, and accurate. I understand that a misrepresentation of fact is cause for rejection of this application, denial of the license, or revocation of a license issued.

(20) For an applicant with 20 or more employees, the applicant shall attest that the applicant has entered into a labor peace agreement and will abide by the terms of the agreement. The applicant shall submit a copy of the page of the labor peace agreement that contains signatures of the union representative and the applicant. For applicants who have not yet entered into a labor peace agreement, the applicant shall provide a notarized statement indicating the applicant will enter into and abide by the terms of a labor peace agreement as soon as reasonably practicable after licensure.

(21) The limited waiver of sovereign immunity required by section 5009 of this division, if applicable.

(22) The applicant's State Employer Identification Number (SEIN) issued by the California Employment Development Department.

(23) For an applicant with more than one employee, the applicant shall attest that the applicant employs, or will employ within one year of receiving a license, one supervisor and one employee who have 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 to provide the course.

Authority: Sections 115.4 and 26013, Business and Professions Code. Reference: Sections 115.4, 144, 480, 26012 and 26200, Business and Professions Code.