

BUREAU OF MEDICAL CANNABIS REGULATION

PRE-REGULATORY MEETING

DISPENSARIES—MEETING SUMMARY

SANTA ANA

October 18, 2016

Topic 1: Subtypes of Dispensary Licenses

BMCR Thoughts: Establish a subtype of dispensary license that is delivery-only. The delivery-only dispensary license would require a brick and mortar premises but would allow for delivery, non-storefront retail sales to qualified patients and primary caregivers. BMCR and law enforcement would maintain the right to inspect the premises at any time.

COMMENTS:

- Harsh constraints in specific metropolitan area may not allow for delivery-only dispensaries.
- It may be difficult for licensed dispensaries to compete with unlicensed delivery-only dispensaries.
- The state may not be doing enough to regulate unauthorized cannabis businesses. This will result in a continuing black market.
- The requirements for a delivery-only dispensary must define what a “commercial space” is. This should simply require the use of a commercial property with no further restrictions such as a minimum size restriction.
- There should be a sublicense that allows for a temporary license that allows for consumption for special events and festivals. (repeated twice)
- The food truck model should be allowed as long as the mobile dispensary has a permanent address somewhere where it can receive mail, be inspected, etc.
- Delivery-only dispensaries should be allowed to be operated out of a residence. (repeated once)
- Licensing fees for delivery-only dispensaries should be different from the licensing fees for traditional dispensaries.
- The Bureau should create a directory of licensed dispensaries that can be used by patients to find dispensaries.
- The requirement for a brick and mortar location will eliminate fair trade and create a monopoly. Small businesses may not be able to comply with brick and mortar requirements.
- Delivery-only dispensaries should be limited to commercial areas.
- Drop shipping should be allowed. This means that one business would take the order from the patient, but another business would be the one to actually fulfill and deliver the order.
- Dispensaries with a storefront should have priority over delivery-only dispensaries because they are easier to regulate.
- Disagree with the comment that dispensaries with a storefront should be given priority over delivery-only dispensaries.

QUESTIONS:

- Would a delivery-only dispensary have to hold its entire inventory on site? Can they use a

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separate warehouse?

Topic 2: Employee Requirements

BMCR Thoughts: Require licensees to maintain an accurate, up-to-date roster of all employees (i.e. contractors, full-time and part-time employees, delivery employees, etc.) and accompanying information on each employee as part of their records. The information would include data such as the date the employee started, all applicable training, job description, and any employee information maintained by the licensee.

COMMENTS:

- Employee's picture ID should be kept on file as well.
- Employees should be required to properly disclose prior felony convictions.
- Training should be at the discretion of the employer and not mandated by the state. Dispensaries should receive some assistance from the state in areas of health and safety training. (repeated once)
- No problem with collecting and keeping the proposed data.
- Agree with the proposal as is. (repeated once)
- There should be no required background checks for employees. (repeated once)
- Employees should not be required to have a physician's recommendation for medical cannabis.
- The state should set out some requirements for employees, but the state should also offer some suggested best practices.
- Requiring background checks on employees is questionable.
- No third party training should be required. (repeated once)
- Training in business practices is important for employees.

Topic 3: Delivery Requirements: Manifests, Storage

BMCR Thoughts:

1. Require the following information on all delivery manifests:
 - a. Name and license number of dispensary;
 - b. Name of primary caregiver or qualified patient who ordered the medical cannabis or medical cannabis products;
 - c. Number of units or weight of items being transported;
 - d. Strain and product type of medical cannabis and medical cannabis products in shipment;
 - e. Unique identifiers of all products in shipment;
 - f. Travel route, start and end time; and
 - g. All planned stops on travel route.
2. All dispensary delivery vehicles shall be equipped with the following:
 - a. Refrigeration;
 - b. Specialized locking system for storage of medical cannabis and medical cannabis products;
 - c. Vehicle alarm system; and
 - d. Separation between the people in the vehicle (i.e., drivers and passengers) and the shipment.

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COMMENTS:

- Satisfied with the manifest requirements.
- The state should require that the manifest require the travel plan in order to ensure the safety of the delivery staff. (repeated once)
- The employer should be allowed to choose to prepare a travel plan and not be required to do so.
- Delivery vehicles should require the use of GPS to track their location at all times. (repeated once)
- The manifest should not include the patient's name. It should have a patient ID# instead.
- Digital recordkeeping of the manifest should be allowed. (repeated once)
- Delivery employees should be allowed to make more than one delivery in a single trip. A manifest with route information should not be required since new drop off locations may be added during the trip.
- Delivery employees should be allowed to carry extra inventory.
- Delivery employees should be allowed to sell additional products to a patient once already at the delivery location.
- There should be a required "dispatcher" at the dispensary who manages deliveries and manifests.
- Instead of listing only the products ordered by the patient, the manifest could list off all of the products that the delivery employee has on hand and can record which patient the product is eventually sold to.
- If refrigeration is required, there should be more guidance as to what that means exactly.
- It should be acceptable to hold product in a locked trunk. No need for further separation.
- Refrigeration requirements should be appropriate for the products' requirements. (repeated twice)
- Locked and secured containers are more than enough. No need for additional separation. (repeated once)
- The state should not require separation between the delivery staff and the product.
- The state should indicate a range of temperatures which would be appropriate for storing certain types of products. (repeated once)
- Refrigeration should not be required at all since deliveries are typically shorter trips and shorter distances with smaller amounts of product.
- Some edibles should be regulated the same way as groceries as they may be perishable.

Topic 4: Transaction Limits

BMCR Thoughts: Set the transaction limit for an individual patient within the following range for all dispensaries, based on other states:

- 1. 2.5 oz per month of usable medical cannabis, regardless of product type;**
- 2. 5 oz per month of usable medical cannabis, regardless of product type; or,**
- 3. Limitations as follows:**
 - a. 24 ounces of dried flower;**
 - b. 16 ounces solid or 72 fluid ounces of liquid medical cannabis product;**
 - c. 16 ounces of cannabinoid concentrate whether sold alone or in an inhalant delivery system;**

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- d. **Five grams of a cannabinoid extract whether sold alone or in an inhalant delivery system;**
- e. **Four immature medical cannabis plants; and, 50 seeds.**

COMMENTS:

- There should be no transaction limits placed by the state. (repeated three times)
- Products should be used responsibly and dispensaries should not carry any liability for selling to a patient.
- Maybe create a reporting system where a dispensary may report and track a patient who is involved in suspicious transactions. Similar to banks and large cash transactions.
- The proposed limits are too small.
- Concentrates and extracts should be limited to two ounces.
- A patient should be allowed to purchase up to 18 plants, not four.
- There does not appear to be a benefit to public safety by setting a transaction limit.
- 16 ounces of dried flower a day is a more appropriate limit.

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