

Department of Cannabis Control
California Code of Regulations Title 4, Division 19

Final Statement of Reasons

Subject Matter of Proposed Regulations: Medicinal and Adult-Use Commercial Cannabis Regulations.

Sections Affected: Title 4, California Code of Regulations, sections 15000, 15000.1, 15000.2, 15000.3, 15000.4, 15000.5, 15000.6, 15000.7, 15000.8, 15000.9, 15000.10, 15001, 15001.1, 15001.2, 15001.3, 15001.4, 15002, 15002.1, 15003, 15004, 15004.1, 15005, 15006, 15007, 15007.2, 15008, 15009, 15010, 15010.1, 15010.2, 15010.3, 15011, 15012, 15013, 15014, 15015, 15017, 15018, 15020, 15021, 15022, 15023, 15024, 15024.1, 15025, 15026, 15027, 15028, 15030, 15031, 15032, 15033, 15034, 15035, 15036, 15037, 15038, 15039, 15040, 15040.1, 15040.2, 15041.1, 15041.2, 15041.3, 15041.4, 15041.5, 15041.6, 15041.7, 15042, 15042.1, 15043, 15044, 15045, 15046, 15047, 15047.1, 15047.2, 15048, 15048.1, 15048.2, 15048.3, 15048.4, 15048.5, 15049, 15049.1, 15049.2, 15050, 15051, 15052, 15052.1, 15053, 15054, 15300, 15301, 15302, 15303, 15303.1, 15304, 15305, 15306, 15307, 15307.1, 15307.2, 15308, 15309, 15310, 15311, 15312, 15313, 15314, 15315, 15402, 15405, 15406, 15407, 15408, 15410, 15411, 15413, 15414, 15415, 15417, 15418, 15419, 15420, 15426, 15427, 15500, 15501, 15502, 15503, 15504, 15505, 15506, 15506.1, 15507, 15600, 15601, 15602, 15603.1, 15604, 15700, 15701, 15702, 15703, 15704, 15705, 15706, 15709, 15710, 15711, 15713, 15714, 15715, 15717, 15718, 15719, 15720, 15721, 15722, 15723, 15724, 15725, 15726, 15727, 15728, 15729, 15730, 15731, 15732, 15733, 15734, 15735, 15736, 15737, 15738, 15739, 15800, 15801, 15802, 15803, 15804, 15805, 15806, 15807, 15808, 15809, 15810, 15811, 15812, 15813, 15814, 15815, 15900, 15901, 15902, 15903, 15904, 15905, 16000, 16100, 16101, 16102, 16103, 16104, 16105, 16106, 16107, 16108, 16109, 16110, 16112, 16113, 16114, 16115, 16200, 16201, 16202, 16203, 16204, 16205, 16206, 16207, 16208, 16209, 16210, 16211, 16212, 16213, 16214, 16215, 16216, 16300, 16301, 16302, 16303, 16304, 16305, 16306, 16307, 16308, 16309, 16310, 16311, 16400, 16401, 16402, 16403, 16404, 16405, 16406, 16408, 16409, 16500, 16501, 16600, 16601, 16602, 16603, 16604, 16605, 16606, 16607, 16608, 16609, 17000, 17001, 17002, 17003, 17004, 17005, 17006, 17009, 17100, 17101, 17102, 17103, 17104, 17105, 17106, 17107, 17108, 17109, 17110, 17111, 17113, 17114, 17115, 17116, 17117, 17118, 17119, 17120, 17121, 17122, 17123, 17124, 17125, 17126, 17127, 17128, 17200, 17201, 17202, 17202.1, 17203, 17204, 17205, 17206, 17207, 17208, 17209, 17210, 17211, 17211.1, 17212, 17213, 17214, 17215, 17216, 17217, 17218, 17219, 17220, 17221, 17222, 17223, 17224, 17225, 17226, 17227, 17300, 17301, 17302, 17303, 17304, 17305, 17398, 17399, 17400, 17401, 17402, 17403, 17404, 17405, 17406, 17407, 17408, 17409, 17410, 17411, 17412, 17500, 17501, 17502, 17503, 17504, 17505, 17506, 17507, 17508, 17509, 17510, 17800, 17801, 17801.1, 17801.5, 17802, 17803, 17804, 17805, 17806, 17807, 17808, 17809, 17810, 17813, 17814, 17815, 17816, 17817, 17900, 17901, 17902, 17903, 17904, and 17905.

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Background

On July 12, 2021, Governor Gavin Newsom (Governor Newsom) signed California Assembly Bill 141, (*Chapter 70, Statutes of 2021*), which consolidated the former three cannabis licensing authorities – the Department of Consumer Affairs’ Bureau of Cannabis Control (Bureau), the Department of Food and Agriculture’s CalCannabis Cultivation Licensing Division, and the Department of Public Health’s Manufactured Cannabis Safety Branch – into a single Department of Cannabis Control (Department) within the Business, Consumer Services, and Housing Agency. The newly established Department inherited all the powers, duties, purposes, functions, responsibilities, and jurisdiction of the three separate licensing entities authorized by the Medicinal and Adult-Use Cannabis Regulatory and Safety Act (MAUCRSA or Act).

On September 27, 2021, the Department adopted emergency regulations to consolidate clarify, and make consistent licensing and enforcement criteria for commercial cannabis businesses, including cultivators, manufacturers, distributors, retailers, microbusinesses, testing laboratories, and temporary cannabis events. On March 28, 2022, the Department readopted the emergency regulations.

On March 4, 2022, the Department issued a Notice of Proposed Rulemaking and began a 45-day comment period on the proposed regulations. The Department held virtual public hearings on March 23, 2022, and April 19, 2022. The Department received thousands of comments, both oral and written, on the proposed regulations. Based on review of the comments received, the Department determined that there were several sufficiently related changes to the proposed regulations that were necessary to clarify certain sections and provisions. This included clarifications to definitions of commonly used terms such as cannabis goods and final form, the inclusion and use of living areas in a licensed premises, use of shipping containers, application requirements, premises diagram requirements, submission of and receipt of information to and from the Department, prohibitions on marketing cannabis goods as alcoholic products, seed production in canopy areas, certification of closed-loop systems, and prohibitions on inhalable cannabis products. Additional changes included revising definitions and provisions related to outdoor and mixed-light cultivation license types to align with the Act by permitting use of light-deprivation and natural light outdoor cultivation under both outdoor and mixed-light cultivation license types and defining terpenes to further clarify the aromatic and flavor compounds contributing to the natural flavor and aroma of cannabis that may be added to inhaled cannabis products. Pursuant to Government Code section 11346.8, subdivision (c) and California Code of Regulations, title 1, section 44, the Department made substantive and sufficiently related changes to the proposed regulations and circulated them to the public for a 15-day comment period beginning on July 6, 2022.

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Update To Initial Statement of Reasons

There have been no substantial changes in applicable laws or to the effect of the proposed regulations from the laws and effects described in the Notice of Proposed Regulatory Action.

As authorized by Government Code section 11346.9 subdivision (d), the Department hereby incorporates the Initial Statement of Reasons prepared in this rulemaking. Unless a specific basis is stated for any modification to the regulations as initially proposed, the necessity for the adoption of new regulations as set forth in the Initial Statement of Reasons continues to apply to the regulations as adopted.

All modifications from the initially proposed text of the regulations are summarized below.

Modifications Made Available for a 15-Day Comment Period

Section 15000. Definitions.

The definition of cannabis concentrate in proposed subsection (h) has been changed to add the word “kief” in place of “separated resinous trichomes of cannabis” for accuracy and consistency. Kief is already defined as the separated resinous trichomes of cannabis, thus the Department determined that using the word “kief” in the definition for cannabis concentrate was more appropriate and consistent with other types of products that are included as examples in the definition. Additionally, butter has been added as an example of cannabis concentrates. The Department regularly receives questions regarding whether cannabis butter is classified as a cannabis concentrate and therefore determined that inclusion as an example in the proposed definition was warranted.

The definition of cannabis goods in proposed subsection (i) has been changed to clarify that cannabis goods must also be packaged and labeled as they will be sold at retail. This edit is necessary for accuracy and consistency of terms used throughout the regulations. The proposed changes distinguish between final form cannabis and cannabis products which are items in the form in which they will be consumed or used but may not yet be packaged or labeled as cannabis goods must be.

The definition of final form in proposed subsection (y) has been changed to clarify that final form refers to cannabis and cannabis products that are in the form in which they will be consumed or used. This edit is necessary for accuracy and consistency of terms used throughout the regulations. The proposed changes distinguish between final form cannabis and cannabis products which are items in the form in which they will be consumed or used but may not yet be packaged or labeled as cannabis goods must be.

The definition of mixed-light cultivation in proposed subsection (ss) has been changed to remove light deprivation. This change is necessary to align with the statutory parameters for mixed-light cultivation found in Section 26061 of the Business and Professions Code (BPC) which provides that mixed-light includes the use of natural and supplemental artificial lighting but does not include light deprivation. Thus, the Department determined that light deprivation should not be an activity that is limited to mixed-light cultivators but should be available to both mixed-light and outdoor

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cultivators. This change ensures that both outdoor and mixed-light cultivators are allowed to utilize natural cultivation techniques through outdoor sun-growing and light deprivation. Part two of the definition has been removed because it duplicates part one now that light deprivation has been removed as an activity limited to mixed-light cultivation.

The definition of nonmanufactured cannabis goods in subsection (tt) has been changed to replace goods with products. This is necessary for accuracy and consistency in the use of terms throughout the regulations. Additionally, the definition has been changed to add to the list of ingredients that are in a nonmanufactured cannabis product. The additions are leaf, pre-roll filter tips, and paper. This is necessary for accuracy and clarity as well as consistency with pre-rolls.

The definition of outdoor cultivation in subsection (xx) has been changed to remove light-deprivation as a prohibited activity. This change is necessary to align with the statutory parameters for outdoor cultivation found in BPC section 26061 which includes outdoor cultivation using no artificial lighting but does not prohibit light deprivation. Thus, the Department determined that light deprivation should not be an activity that is limited to mixed-light cultivators but should be available to both mixed-light and outdoor cultivators. This change ensures that both outdoor and mixed-light cultivators are allowed to utilize natural cultivation techniques through outdoor sun-growing and light deprivation.

The definition of processing in subsection (eee) has been changed to add sifting. This change is necessary to account for the process of separating the resinous trichomes (kief) from cannabis flower. This edit is necessary because kief is a product that licensed processors may produce, however the definition of processing did not include sifting.

A new definition for terpenes has been added to subsection (ppp). Terpenes is proposed to be defined as terpenes, terpenoids, flavonoids, polyphenols, and other naturally occurring phytochemicals and secondary metabolites contributing to the aroma or flavor of cannabis. This definition is necessary because terms such as terpenes, terpenoids, and flavonoids are regularly used interchangeably to describe phytochemicals and secondary metabolites contributing to the aroma or flavor of cannabis. Additionally, this definition is necessary because the Department is proposing in section 17303.1 to limit what may be in a cannabis product intended for inhalation to cannabis, cannabis concentrate, terpenes, rolling paper, leaf, pre-roll filter tips, or ingredients permitted by the United States Food and Drug Administration. Terpenes was not previously defined, and the Department learned through public comment that use of the word “terpenes” without a definition could lead to the unintended consequence of prohibiting terpenoids, flavonoids, polyphenols, and other naturally occurring phytochemicals and secondary metabolites that contribute to the natural flavor and aroma of cannabis. The Department did not intend to limit or otherwise distinguish between terpenes and terpenoids, flavonoids, polyphenols and other naturally occurring phytochemicals and secondary metabolites, thus a definition incorporating all was necessary. Lastly, the definition is needed to limit the flavonoids that may be added to inhaled products to those that are naturally occurring and contribute to the flavor of cannabis. This preserves the integrity of cannabis and reduces the risk of cannabis

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appealing to minors through the use of flavors that mask the natural flavor and aroma of cannabis. As such, artificial, synthetic, or natural flavorings that do not contribute to the natural flavor and aroma of cannabis are not permitted. Flavors that would be prohibited under this definition include, but are not limited to, menthol, mint, mango, strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, coffee, popcorn, and bubblegum.

Due to the addition of terpenes in subsection (ppp) the remaining subsections have been renumbered accordingly. Additionally, other regulatory sections with cross-references to these subsections have been updated.

Section 15000.3. Premises Requirements.

Proposed section 15000.3 contains the requirements for licensed premises. Proposed subsection (c) was changed to add a clarification regarding a licensee's ability to use living areas of a private residence for non-commercial cannabis activity such as staff-breaks. Additionally, a clarification regarding which areas of a private residence are not considered to be living areas was added; these areas include garages, offices, sheds, barns, and other areas regularly used for commercial cannabis activity. In review of comments received during the 45-day comment period, the Department determined that there was significant confusion regarding the intent of this subsection and felt that clarification was necessary. The substance and intent of the subsection has not changed.

Proposed subsection (f) has been changed to remove language regarding structures being permanently affixed to the land and replaced it with language that specifies structures included as part of the premises shall be permanent structures. Additionally, the subsection was changed to provide examples of permanent structures including buildings, barns, sheds, shipping containers, and modular buildings. In review of comments received during the 45-day comment period, the Department determined that there was significant confusion regarding the intent of this subsection and felt that clarification was necessary. Commenters interpreted this section to mean that the Department was prohibiting the use of shipping containers and modular buildings. The Department never intended for such a prohibition; thus, clarification was necessary. The substance and intent of the subsection has not changed.

Proposed subsection (g) has been changed to add an exception to the prohibition of personal cultivation of cannabis on a licensed premises. The Department received public comments during the 45-day comment period from commenters who are required by their local jurisdiction to include their entire land parcel in their premises and would therefore have no options for cultivating cannabis for personal use as allowable under Health and Safety Code section 11362.1. To ensure fairness under the law, the subsection has been changed to allow for personal cultivation on a licensed premises in such circumstances provided the personal cultivation is conducted separately and distinctly from commercial cultivation.

Section 15000.5. Licensee's Responsibility for Acts of Employees and Agents.

The proposed section was changed to remove gender specific language and replace it with gender neutral language. There were no changes to the substance of the section.

Section 15000.7. Storage of Inventory.

Proposed section 15000.7 contains the general requirements for storage of inventory. Proposed subsection (c) was changed to remove break rooms from the requirement that there be solid walls separating certain areas from storage areas. As revised only bathrooms and changing rooms would be required to be separated by solid walls extending from floor to ceiling. Break areas, if any, would be required to be separate and distinct from areas where cannabis and cannabis products are stored. The Department received public comments objecting to the requirement that break areas be separated by solid walls. The Department determined that appropriate separation between break areas and storage areas could be achieved without the need for solid walls.

Proposed subsection (d) has been amended to clarify that additional shipping containers may be used as temporary storage. The Department received public comments that indicated confusion regarding the use of storage containers. Commenters interpreted this section to mean that the Department was only permitting storage container use on a temporary basis which is inaccurate. Licensees are allowed to use shipping containers as part of their premises. The intent of this subsection was to allow licensees to add on additional shipping containers at any time their storage needs exceed their available space. The intent and substance of this subsection have not changed.

Section 15000.8. Appellations of Origin.

Subsection (c) of this proposed section has been changed to correct a grammatical error. There were no changes to the substance of the section.

Section 15002. Annual License Application Requirements.

Section 15002 contains the requirements for annual licensure. Proposed subsection (c)(5) has been added to include assessor parcel number as an option for the physical address of the premises. This change is necessary for alignment with current practices of accepting an assessor parcel number as a physical address of a premises as this is often the only means of identifying the physical location of the property. Conforming grammatical edits were also made. There were no changes to the substance of this subsection.

Proposed subsection (c)(16)(J) has been changed to remove the requirement for acceptable government-issued identification to include height. This change was necessary to accommodate passports, which generally do not contain a person's height. Additionally, passport was added as an example of acceptable forms of identification and a grammatical edit was made.

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Section 15002.1. Temporary Cannabis Event Application.

This section contains the requirements for a temporary cannabis event application. Proposed subsection (b)(3) has been changed to add to the requirement to provide the address where the temporary event will occur, that if no address exists, the accessor parcel number or street description may be provided. This is necessary to clarify how applicants may comply with this requirement when a location does not have a corresponding address.

Proposed (b)(10) has been divided into two subsections and the remaining subsections have been renumbered accordingly. No substantive changes were made to these subsections.

Section 15006. Premises Diagram.

Proposed section 15006 contains the requirements for the premises diagram that must be submitted as part of an application. Proposed subsection (b) has been changed to provide greater clarity regarding the dimensions that must be included on a premises diagram. As is now specified, the Department must have dimensions of the boundaries of the premises and structures to the extent necessary to allow for clear identification of the bounds of the premises. As previously written, the regulation could be interpreted as requiring dimensions for all aspects of the diagram, thus the change is necessary to provide greater clarity to applicants and streamline the application process.

Proposed subsection (e) has been changed to add that the extent to which the diagram is to scale shall be the extent necessary to clearly determine the bounds of the premises. This change makes clear that the diagram need not be precisely to scale and is necessary to provide greater clarity to applicants and streamline the application process.

Proposed subsection (h)(5) parts (A) and (B) have been changed to clarify that for canopy areas and areas of immature plants outside the canopy, the applicant must provide dimensions in feet and aggregate square footage. This clarification is necessary because cultivation license types are categorized in part by their canopy size, thus the Department must have accurate dimensions to ensure the right license type is issued.

Proposed subsection (h)(5)(H) has been changed to clarify that designated harvested cannabis storage areas may not be shared among multiple licenses held by one licensee. Harvest areas are currently not allowed to be shared as licensees must have a processor license to combine harvests from multiple licenses. However, this subsection did not restate that prohibition as other parts of the subsection so specify. This change is necessary to provide clarity within this section regarding which spaces may be shared and makes the parts of the subsection consistent.

Section 15011. Additional Information.

Proposed section 15011 contains license type specific application requirements. Proposed subsection (a)(1) has been changed to add that applicants for a license to cultivate may include, with their hours of operation, annual scheduled closure periods for their site. This change is necessary to clarify how licensees may communicate an

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annual scheduled closure period for their cultivation site to the Department. Many outdoor cultivators do not have any activity occurring on their premises during their off season and thus do not have anyone on site. This change provides a way for licensees to convey closure periods to the Department if they have such periods but does not require anything of licensees who do not have closure periods or who do not know what their closure period will be.

Section 15012. Incomplete and Abandoned Applications.

Proposed section 15012 contains the provisions regarding incomplete and abandoned applications. Proposed subsection (a) has been changed to add email as an allowable means for the Department to issue written notice to an applicant. This change is necessary to provide the Department and applicants with an additional means of providing and receiving notice. Currently the Department serves other regulatory notices by mail, email, and through the licensing system, thus the addition of email here is consistent with other sections of the Department's regulations.

Section 15014. Fees.

Section 15014 provides the fees collected by the Department and paid by applicants and licensees. Proposed subsection (e) contains a typographical change.

Section 15023. Business Modifications.

Section 15023 contains the requirements for making business modifications on a license. Proposed subsection (c)(1) contains a change to replace gender specific language with gender neutral language. The subsection has also been changed to clarify that following a change in ownership, the former owner's inventory shall be transferred to the new owner's track and trace account upon issuance of the license. This change is necessary to clarify how inventory will be transferred to the new owner's track and trace account. In reviewing proposed track and trace regulations in this rulemaking the Department determined that the regulations did not make clear how existing inventory may be transferred to a new owner in case of a sale of the business. In order to provide clarity and specificity the Department determined that including the provision in this section with the other requirements for change in ownership was appropriate.

Section 15027. Physical Modification of Premises or Operations.

Section 15027 contains requirements related to modifications of premises or operations. Proposed subsection (f) contains changes to allow all licensees, rather than only cultivators, the option of submitting a request for approval of a physical change, alteration, or modification through the licensing system or by submitting form DCC-LIC-027 via email. The Department has been developing its licensing systems' functions and is now able to allow all licensees to submit requests through the licensing system, thus clarification is necessary.

Additionally, proposed subsection (h) has been changed consistent with subsection (f) to allow licensees to now submit notifications of changes, alterations, or modifications to a licensed premises or the licensee's operations that do not require prior approval through the online licensing system or by submitting form DCC-LIC-027 via email.

Section 15035. Notification of Criminal Acts, Civil Judgments, Violations of Labor Standards, and Revocation of a Local License, Permit, or Other Authorization After Licensure.

Proposed subsection (d) requires a licensee to notify the Department of the revocation of a local license, permit, or other authorization. The subsection has been changed to also require notification for the revocation of a local, license, permit, or other authorization held by the licensee or any owner in their individual capacity. This change is necessary to align the language of the subsection with the intent of this subsection which is to require the licensee to notify the Department if any person who has control of the licensed operations has had a local license, permit, or other authorization revoked. Licensees are not required to hold their licenses under the same name at the local and state level. Licensees may have a license held under one name at the local level and another name at the state, thus this change is necessary to accurately account for all situations in which a person responsible for the state license has been subject to a revocation at the local level. This change also aligns this subsection with the other subsections in this section which require notifications for actions taken against the licensee or any owner in their individual capacity.

Section 15039. License Posting Requirements.

Section 15039 contains the requirements related to posting a physical copy of the license on the licensed premises. Proposed subsection (a) contains a grammatical change.

Section 15040.1. Marketing Cannabis Goods as Alcoholic Products.

This section contains the prohibition on marketing cannabis goods as alcoholic products. The section previously stated that distributor and retailer licensees shall not sell or transport cannabis goods that are labeled as beer, wine, liquor, spirits, or any other term that may create a misleading impression that the product is an alcoholic beverage. The section was consistent with BPC section 26070.2 which prohibits a licensee from selling, offering, or providing a cannabis product that is an alcoholic beverage. However, these requirements do not apply to manufacturers who may unknowingly be producing a product that ultimately cannot be sold or distributed. This inconsistency in the supply chain creates problems for the industry including increases in costs for remediation, new packaging and labeling, destruction, and lost revenue. The proposed changes would apply the section to all licensees and change the section to state that licensees shall not market, advertise, sell, or transport cannabis goods that are labeled as beer, wine, liquor, spirits, or any other term used to describe a type of alcohol or alcoholic beverage. The proposed changes are necessary to hold all licensees to the same standards and to ensure that all licensees have adequate guidance on the products that may ultimately be sold at retail and thus avoid costly

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remediation or destruction of noncompliant products.

This section also contains a change to clarify that nothing in the section should be interpreted as prohibiting a company or brand name associated with alcoholic beverages from appearing on cannabis goods or in marketing and advertisements for cannabis goods provided the cannabis goods do not create a misleading impression that the product is an alcoholic beverage. This clarification is necessary because companies lawfully operate within the cannabis and alcohol industry simultaneously. There is nothing in the law that prohibits alcohol companies from lawfully operating within the cannabis industry provided the products are not marketed as both cannabis products and alcoholic beverages.

Section 15041.1. Branded Merchandise.

Proposed section 15041.1 contains the requirements for branded merchandise. Proposed subsection (b) has been changed to remove the past date of December 31, 2021. There were no substantive changes to the section.

Section 15041.3. Designating Trade Samples.

Proposed section 15041.3 contains the requirements for designating trade samples. Proposed subsection (c) has been changed to allow for the designation of a trade sample to be changed to medicinal donation. The Department determined that creating an exemption to allow for trade samples to be redesignated as medicinal donations would encourage such donations by providing licensees with an option, other than destruction, for undistributed trade samples which also protects public health and safety.

Section 15047.1. Definitions.

Section 15047.1 contains the definitions relevant to the track and trace system requirements. Proposed subsection (a) contains the definition of plant tag which has been changed to remove “RFID-enabled” as an identifier. The Department has determined that plant tags may be RFID-enabled but do not need to be. Licensees are still required to track all cannabis plants. The removal of the RFID requirement does not eliminate licensees’ responsibility to comply with the Act and the regulations. The Department utilizes disciplinary actions against bad actors to reduce illicit activity rather than continuing regulatory burdens on licensees that are not engaging in such activity.

Section 15048.5. Use of Harvest Batch Name and Package Tags.

Section 15048.5 contains the requirements for identifying harvested plants by batch name and package tag. Proposed subsection (c) has been changed to remove a repeated word. The substance of the section has not been changed.

Section 15303. Packaging, Labeling, and Rolling.

Section 15303 contains the requirements related to packaging, labeling, and rolling activities conducted by a licensed distributor. Subsection (b) is proposed to be changed to clarify that pre-rolls must be packaged and labeled prior to regulatory compliance

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testing. This change is necessary to align with requirements in chapter 6 for the sampling of pre-rolls for regulatory compliance testing. Licensed laboratories must sample from pre-roll batches that are packaged and labeled; however, Department staff routinely find distributors are unaware of the requirement as it is in the regulatory chapter pertaining to testing laboratories. This uncertainty can lead to distributors incurring higher costs for compliance testing as laboratories are unable to sample on the first visit due to the pre-rolls not being packaged and labeled. To avoid continued confusion and increased testing costs, the Department determined that the requirement should be included in this section. The change provides clarity to licensed distributors regarding the requirement that pre-rolls be packaged and labeled prior to regulatory compliance testing and is therefore necessary.

Section 15306. Regulatory Compliance Testing Results.

Section 15306 contains the requirements for cannabis and cannabis products post-regulatory compliance testing. In consolidating and streamlining regulatory requirements for all licensees, the Department inadvertently proposed removing the timeframes for destroying a batch that cannot be remediated. The Department determined that a timeframe is necessary to provide clear guidance to licensees regarding when a batch that has failed testing and may not be remediated must be destroyed. As such the department has specified that a batch must be destroyed within 60 days of failure of the batch or 30 days of receiving notification from the Department that the batch may not be remediated. The proposed timeframes are consistent with the previously included timeframes and provide licensees with clear direction.

Section 15307. Quality-Assurance Review.

Section 15307 contains requirements related to the quality-assurance review a licensed distributor must conduct on cannabis goods. Subsection (h)(1) contains the provisions related to relabeling of cannabis goods by a distributor. The subsection has been changed to replace the word remediated with relabeled. This change is necessary because the act of relabeling a cannabis good is more accurately reflected by the term relabeled than remediated. Subsection (h)(2) specifies the requirements for distributors when cannabis goods must be remediated by a manufacturer because the cannabis goods must be repackaged or reprocessed. This subsection has been changed to add the clarifying language “because they must be repackaged or reprocessed.” This change does not change the substance of the regulations but provides further clarity.

Section 15307.2. Licensed Distributor to Distributor Transfers.

Section 15307.2 provides the parameters for distributor-to-distributor transfers. Proposed subsection (c) has been changed to include a cross-reference to section 17305. This is necessary for clarity and to provide clear guidance to licensees.

Section 15311. Requirements for the Transportation of Cannabis and Cannabis Products.

Section 15311 contains the requirements for the transportation of cannabis and cannabis products. Proposed subsection (e) has been changed to make terms gender-neutral. There were no substantive changes to this section.

Section 15415. Delivery Employees.

Section 15415 contains requirements related to delivery employees. Proposed subsection (c) has been changed to make terms gender-neutral. Proposed subsection (d) has been changed to require delivery employees to return to the licensed premises after their last delivery only if they have any unsold cannabis goods. Cannabis goods may only be stored on a licensed premises; thus, the Department cannot permit a delivery employee to take unsold cannabis goods home. However, if there are no cannabis goods to return to the licensed premises, then the Department has determined that there is no reason for the Department to require the delivery employee to return to the premises. Licensees may still choose to have their employees return to the premises if they wish. This change provides licensees with flexibility in determining operations that work for their business and still protects public health and safety by ensuring unsold cannabis goods are returned to the licensed premises for proper storage.

Section 15417. Delivery Vehicle Requirements.

Section 15417 contains the requirements for delivery vehicles. Proposed subsection (b) has been changed to correct a typographical error. No substantive changes were made to this section.

Section 15700. Definitions.

Section 15700 contains the definitions applicable to chapter 6 which provides requirements for testing laboratories.

Subsection (rrr) contains the definition for total THC and has been changed to incorporate delta 8 THC into the definition and equation. This change is necessary to address products that have delta 8 THC and to provide testing laboratories with the proper method for calculating total THC. Testing laboratories currently test for delta 8 THC, however they have not had specific direction from the Department regarding how to include it in the calculation for total THC. It is important for testing laboratories to have a clear definition and equation for calculating total THC as the euphorogenic effects of cannabis are increased as the amount of total THC increases. For purposes of protecting public health and safety it is important that the total THC calculations accurately reflect the amount of total THC in a product, thus delta 8 must be included in the calculation.

Section 15706. Chain of Custody (COC).

Section 15706 contains the requirements for the laboratory's COC protocol. Subsection (b)(4) requires the name, premises address, and license number for the licensee that produced the batch being sampled. The subsection has been changed to add licensed distributors to the list of licensees that may have produced the batch. This is necessary because distributors may be the owner and responsible licensee of a batch. Licensed laboratories currently include licensed distributors on their COC for the sake of accuracy, however the regulations did not specifically list distributors. This change aligns the regulatory text with current practice and provides clear guidance for licensees.

Section 16202. General Cultivation Requirements.

Section 16202 contains the general requirements for cultivation of cannabis. Proposed subsection (b) has been changed to remove the prohibition on outdoor cultivation licensees using light deprivation. This change is necessary to align with the statutory parameters for outdoor cultivation found in BPC section 26061 which includes outdoor cultivation using no artificial lighting but does not prohibit use of light deprivation. Thus, the Department determined that light deprivation should not be an activity that is limited to mixed-light cultivators but should be available to both mixed-light and outdoor cultivators. This change ensures that both outdoor and mixed-light cultivators are allowed to utilize natural cultivation techniques through outdoor sun-growing and light deprivation.

Section 16300. Cultivation Requirements.

Section 16300 contains the requirements for cultivation. The title of the section has been changed to remove the types of cultivation licenses as they do not add anything and make the title of the section overly long and complicated. Additionally, a grammatical change was made in proposed subsection (a). No substantive changes have been made.

Section 16306. Generator Requirements.

Section 16306 contains the requirements for generator use by cultivators. Proposed subsection has been changed to correct the format of the citation to title 17 and to include the commonly used name of "diesel engine" in the definition of generator. This change is necessary to provide clarity regarding terms that mean the same thing and are regularly used interchangeably. The substance of the section has not changed.

Section 16308. Canopy Requirements.

This section contains requirements for the canopy areas on cultivation sites. Proposed subsection (c) has been added to clarify that cultivators may utilize canopy areas to produce seeds for use by that licensee. This clarification is necessary to provide accurate guidance to cultivators regarding which areas of their cultivation sites may be used for the production of seeds to be used on the site.

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Section 16311. Supplemental Water Source Information.

Section 16311 contains the requirements for information that must be provided with the application regarding the source of water for cultivation activities. Proposed subsection (a) contains the requirements for retail water supply sources. Proposed subsection (a)(1)(B) has been changed to add that in addition to a copy of the most recent water service bill, an applicant may provide written documentation from the water supplier stating that service will be provided at the premises address. This change is necessary for accuracy as the Department has found in some cases it is impossible for the applicant to comply with the requirement. In such cases the Department must waive the current requirement and accept other documentation in lieu of a water service bill, thus the change is necessary to align with current practice and provide clarity on acceptable documentation to applicants.

Proposed subsection (c) has been changed to add part (4) which requires the location coordinates of the rainwater catchment infrastructure in either latitude and longitude or the California Coordinate System. This is necessary for the Department to have complete information regarding the applicant's water source. Accurate information regarding water is necessary for the Department to determine whether an applicant is in compliance with important environmental laws such as CEQA and laws governing water use and conservation.

Subsection (d) has been changed to remove part (2) as the applicability of the subsection has expired.

Section 17006. Manufacturing License Types.

Section 17006 contains the types of manufacturing licenses. Proposed subsection (a) has been changed to replace the cross reference to the definitions. This is necessary for accuracy section 15000, which contains the definitions, has been renumbered.

Section 17117. License Constraints.

Section 17117 contains constraints on activities that may be conducted by a licensed manufacturer. Proposed subsection (b) has been changed to allow licensed manufacturers to provide non-cannabis infused product samples to all licensees, with the exception of cultivators, distributors transport only, testing laboratories, and cannabis event organizers, rather than only other manufactures. This change is necessary because the Department determined licensed manufacturers may need to provide such samples to induce distributors, retailers, and microbusinesses to carry their products by demonstrating flavor profiles and other characteristics of the products without the euphorogenic effects that may come from cannabis.

Section 17206.1. Certification of Closed-Loop Systems.

Section 17206.1 contains the requirements for closed-loop systems used by licensed manufacturers in the production of cannabis products. Proposed subsection (e) requires the licensee to have the system recertified when it is modified in a manner that changes its operation. The wording of the subsection has been changed to provide greater clarity by stating that the system needs to be recertified when it is modified in a manner such that its operation no longer conforms to the original equipment manufacturer specifications. The intent of the subsection has not changed; however, the wording has been changed to be more specific and provide greater clarity and guidance to licensed manufacturers that may be modifying their closed-loop systems. This change is necessary as such systems, if not properly handled, may cause harm to workers and others. Having regulatory language that clearly conveys the intent ensures that licensees are able to understand and follow the requirements.

Section 17215. Master Manufacturing Protocol.

Section 17215 contains the requirements for the master manufacturing protocol that must be established for each cannabis product manufactured by the licensee. Proposed subsection (b)(7) has been changed to specify that the protocol must contain whether the cannabis product will leave the premises in final form and packaged and labeled as it will be sold at retail. The subsection previously only referenced final form. However, the change is necessary to align with changes made in section 15000 to the definitions of cannabis goods, final form, and nonmanufactured cannabis products.

Section 17223. Waste Management.

Section 17223 contains the regulatory provisions for cannabis waste. The section has been changed to replace gender-specific terms with gender-neutral terms. The substance of the section has not changed.

Section 17300. Prohibited Products.

Section 17300 contains the types of products that may not be sold as cannabis goods. The section contains changes to replace the term cannabis good with the term cannabis product for accuracy and consistency with terms used throughout this division.

Proposed subsection (n) has been changed to clarify that the prohibition on an inhalable cannabis product that is delivered into the lungs through a metered-dose inhaler or dry-powder inhaler does not apply to other types of dry-powder cannabis products or metered-dose vaporizers containing cannabis or cannabis oil. This clarification is necessary because the Department determined that there was confusion regarding the applicability of this section to various products. The Department intended to prohibit products that mimic medical inhalers as such products may cause harm if mistakenly used by a patient. However, other dry-powder cannabis products and metered-dose vaporizers do not pose the same threat and were not intended to be prohibited, thus clarification is necessary.

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Section 17302.1. Additional Requirements for Tinctures.

Section 17302.1 contains requirements for tinctures. Proposed subsection (b) has been changed to replace the cross reference to the definitions. This is necessary for accuracy section 15000, which contains the definitions, has been renumbered.

Section 17303.1. Additional Requirements for Inhaled Products.

Section 17303.1 contains additional requirements for inhaled products. The section has been changed to remove the qualifier that terpenes be botanically derived. Consistent with the addition of a definition of terpenes in section 15000, subsection (ppp), the Department has amended this section for alignment of terms. Terpenes was not previously defined, and the Department learned through public comment that use of the word “terpenes” without a definition could lead to the unintended consequences of prohibiting terpenoids, flavonoids, polyphenols, and other naturally occurring phytochemicals and secondary metabolites. The Department did not intend to limit or otherwise distinguish between terpenes and terpenoids, flavonoids, polyphenols and other naturally occurring phytochemicals and secondary metabolites, thus a definition incorporating all was necessary. Additionally, the definition is needed to limit the flavonoids that may be added to inhaled products to those that are naturally occurring and contribute to the flavor of cannabis. This preserves the integrity of cannabis and reduces the risk of cannabis appealing to minors through the use of flavors that mask the natural flavor and aroma of cannabis. As such, artificial, synthetic, or natural flavorings that do not contribute to the natural flavor and aroma of cannabis are not permitted. Flavors that would be prohibited under this definition include, but are not limited to, menthol, mint, mango, strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, coffee, popcorn, and bubblegum. Lastly, this section has been changed to add pre-roll filter tips as allowable components in inhaled products. This change is necessary because filter tips are often included with pre-rolls and the Department did not intend to exclude them.

Section 17305. Failed Cannabis Product and Harvest Batches.

Section 17305 contains the requirements for remediation of failed batches. Proposed subsection (e) requires certain information be submitted with a request to remediate a batch. Proposed subsection (e) has been changed to add a requirement for provision of the UID of the batch, the size of the batch, and email address of the contact person for the remediation. The UID and size are necessary for Department staff to readily identify that failed batch that the licensee is requesting to remediate. Such information will assist Department staff in assessing the request and will streamline the process reducing the wait time for licensees to receive a response. The email address is necessary as most communications regarding remediation occur through email.

Section 17401. Release to Distributor as finished Product.

Section 17401 provides the parameters for when a cannabis product may be released to a distributor as a finished product. This section has been changed to correct a grammatical error.

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Section 17814. Disciplinary Guidelines

This section incorporates by reference the Department's Disciplinary Guidelines. Section III, subsection A provides the three tiers of disciplinary action for all license types except cultivation.

In Tier 1, the authority for the violation of failing to confirm customer age has been changed to add subsection (a) to section 15402 to align with the section which includes the requirement to verify customer age in subsection (a). A violation for failure to comply with provisions related to customer access to the retail area with the authority of section 15402, subsections (b)-(d) has been added to more accurately capture subsections (b)-(d) of section 15042 which provide the requirements for customer access to the retail area. The violation description for providing free cannabis goods or accessories has been changed to "Failure to Comply with Requirements for Providing Free Cannabis Goods to Medicinal Consumers" to align with the provisions of section 15411.

In Tier 2 violation descriptions for including non-permanent structures as part of the licensed premises pursuant to section 15000.3, subsection (f) has been added to the Disciplinary Guidelines as this is a new provision that the Department has determined should be included in the Disciplinary Guidelines as it provides additional clarity to licensees and applicants regarding the discipline they will face for violating this provision. Similarly, the Department has included a violation description for personal cultivation of cannabis on the licensed premises pursuant to section 15000.3, subsection (g). The Department has also added additional violation descriptions for sections related to manufacturing. The Department determined that additional manufacturing violation descriptions would provide further guidance to licensees regarding the discipline they will face for violating these provisions. As the Disciplinary Guidelines were new for manufacturers under the adopted emergency regulations, the Department determined inclusion of more violation descriptions would provide greater guidance to licensed manufacturers. As such, the Department has changed the authority for failing to comply with good manufacturing practices to add sections 17300-17303.1. as these sections also provide the authority for this violation. The Department also added a violation description for failure to comply with special requirements for juice manufacturing and dried meat manufacturing pursuant to sections 17219-17220 and a violation description for failure to comply with requirements on THC concentration limits pursuant to section 17304.

In Tier 3, the Department has added failure to comply with the independence of testing laboratory requirements under 15004.1. This is necessary as this proposed new section contains the requirements for a testing laboratory to maintain independence from all other license types. The Department determined this section should be added and specifically identified as a Tier 3 violation as maintaining the integrity and independence of licensed testing laboratories is critical for protecting public health and safety through reliable testing results generated by independent testing laboratories. Additionally, the Department changed the authority for failure to provide access to the premises to add section 15000.3(d) for accuracy as this section also specifies licensees must provide the Department with access to their licensed premises.

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Subsection B of Section III contains the violations and fine amounts for cultivation licensees. Table A has been changed to add violation descriptions for including non-permanent structures as part of the licensed premises pursuant to section 15000.3, subsection (f). As discussed above, this is a new provision, thus the Department determined that including it in the Disciplinary Guidelines provides additional clarity to licensees and applicants regarding the discipline, they will face for violating this provision. Similarly, the Department has included a violation description for personal cultivation of cannabis on the licensed premises pursuant to section 15000.3, subsection (g). The Department has removed the description of violation related to including on the premises diagram an administrative hold area for segregating cannabis and cannabis products subject to an administrative hold. This change is consistent with the removal of this requirement from section 15006. The description of violation related to waste has been amended to replace gender specific language with gender neutral language. The Department has removed the description of violation for using light deprivation at an outdoor cultivation site. The Department has removed the prohibition on using light deprivation as it is not consistent with statute. Additionally, the Department removed primary panel from failure to comply with labeling requirements for accuracy and added failure to comply with canopy requirements pursuant to section 16308 to provide licensees with specific guidance regarding violations for failure to comply with canopy. The Department also changed the word dispose to maintain in the violation regarding maintaining cannabis waste in a secured waste receptacle. The Department also added “failed” for clarity in the violation for failure to comply with disposal requirements for failed batches. In the violation for transporting or receiving cannabis without access to the track and trace system, the Department has replaced transferred with “initiated transport, or received any” for greater accuracy. Lastly, consistent with edits made in Section A for non-cultivation licensees, the Department added section 15000.3(d) to the authority for failure to provide access to the premises to for accuracy as this section also specifies licensees must provide the Department with access to their licensed premises.

In Table B the Department added section 17800 as authority for violations related to provision of records to the Department and provision of access to examine records for accuracy as this section contains these violations. Additionally, the Department removed the phrase “on the licensed premises” from record keeping violations as licensees are required to be able to access and produce records from the licensed premises but are not required to have physical records on the premises. This change recognizes that many licensees maintain their records electronically such as through cloud-based storage.

Non-substantive Modifications

In addition to the modifications described above, the Department has made non-substantive edits to correct typographical errors. Specifically, edits were made in section 15049.1(b)(2) to correct the spelling of “plant” and in section 17805(a) to correct spacing. Lastly, in section 15048.3(a)(3), the cross-reference to section 15023(f) has been amended for accuracy.

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Local Mandate Determination

The proposed regulations do not impose a mandate on local agencies or school districts.

Incorporation by Reference

The Department has determined that it would be cumbersome, unduly expensive, or otherwise impracticable to publish documents incorporated by reference in the California Code of Regulations. The documents are voluminous, contain specialized formatting, as well as graphics.

Summary and Response to Comments Received During 45-Day Comment Period

Section of Regulation	Comment Numbers	Summary of Comments Received During 45-Day Comment Period	Department Response
Designated Agent Definition	660	Commenter asserts that the Department should add a definition or other clarifying language to the regulations establishing a “designated agent” as a third-party cannabis licensee selected by the lender that is authorized to receive, transfer and liquidate cannabis and derived inventory containing THC on behalf of a licensed lender in cases where the lender must take possession of cannabis assets. Commenter also suggests that a new section should be added outlining the relationship and mechanisms by which entities offering secured commercial lending services may work with designated agents to take possession of, and liquidate, a defaulted licensee’s cannabis and derived inventory containing THC.	While not on the proposed action the Department notes commenter’s suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15000	721, 817, 959, 1151, 1316, 1392, 2031, 2210,	Commenters request that definitions be added for the following terms: net weight, sales reps, cannabis products, cannabis goods, cannabis material, cannabis substance, and person. Other commenters recommend defining commercial cannabis business, cannabis, product line,	The Department disagrees in part with this comment. Person, cannabis, cannabis products, and cannabis goods are already defined in the Act or these regulations. Net weight, sales representatives,

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Section of Regulation	Comment Numbers	Summary of Comments Received During 45-Day Comment Period	Department Response
		live resin, shake, and botanically derived terpenes.	product line, and commercial cannabis business are adequately defined under the plain meaning of the words thus additional definitions are unnecessary. The Department has added a definition for terpenes as requested by the commenter.
15000(d)	2478	Commenter expresses support for definition.	The Department agrees with this comment.
15000	2032	Commenter requests that the term “Medical Cannabis Patient” be restored to the extent and intent of Prop 215 in all relevant facets. This should include extending the sales tax exemption to those with a valid medical recommendation from a doctor in good standing.	The Department disagrees with this comment. The Department does not have the authority to legislate or regulate tax exemptions.
15000	254, 281, 311, 1043, 1530	<p>Commenters suggest that the term “cannabis” should be defined.</p> <p>In some cases, commenters assert that “cannabis” should be defined as is done in the Medicinal and Adult-Use Cannabis Regulation and Safety Act. Commenter asserts that the definition of “cannabis goods” causes confusion as to the intended definition of the term “cannabis” in the proposed regulations.</p> <p>In some cases, commenters assert that “cannabis” should be defined as is done in section 11018 of the Health and Safety Code.</p>	The Department disagrees with this comment. The term “cannabis” is clearly defined in the Act from which the Department draws its authority. The Department does not believe it is necessary to restate the definition in this section.
15000	33, 39	Commenter suggests defining the term “Terpene” as follows: “Any of a large group of volatile unsaturated hydrocarbons found in the essential oils of plants,	The Department agrees in part with this comment. The Department has added a definition for terpenes which means

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Section of Regulation	Comment Numbers	Summary of Comments Received During 45-Day Comment Period	Department Response
		<p>especially conifers, citrus, and cannabis. They are based on a cyclic molecule having the formula C₁₀H₁₆.”</p>	<p>terpenes, terpenoids, flavonoids, polyphenols, and other naturally occurring phytochemicals and secondary metabolites contributing to the aroma or flavor of cannabis. The Department has determined that the definition captures the naturally occurring compounds that may be added to inhaled products. The Department has specifically limited the flavonoids that may be added to inhaled products to those that are naturally occurring and contribute to the flavor of cannabis. This ensures that inhaled products not only contain only those ingredients that are safe for consumption but also ensures flavors are not added to products that would make them attractive to children by masking the flavor and aroma of cannabis. The Department has specifically limited the flavonoids that may be added to inhaled products to those that are naturally occurring and contribute to the flavor of cannabis. As such, artificial, synthetic, or natural flavorings that do not contribute to the natural flavor of cannabis are not permitted. Flavors that would be prohibited under this definition include, but are not limited to, menthol, mint, mango,</p>

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			strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, coffee, popcorn, and bubblegum.
15000	1841	Commenter asserts that the Department be specific that all references to THC will mean delta-9-THC unless explicitly specified, and suggests amending the definition to replace “tetrahydrocannabinol” with “delta-9-tetrahydrocannabinol.”	The Department disagrees with this comment. The Department already specifies in the definition that delta-9 THC is the compound tetrahydrocannabinol, CAS number 1972-08-3. The only type of THC considered by the definition for THC is delta 9. Total THC is separately defined in section 15700(rrr) and includes delta 8-THC as well as delta 8 and delta 9-THCA.
15000	888	Commenter suggests that the Department should define an actual grading structure and framework as established in multiple other areas of agriculture where the quality of the product not the manner in which it is grown determines in grading.	The Department disagrees with this comment. The Department has defined terms for cultivation in accordance with the Act and its parameters.
15000	889	Commenter suggests that the Department should define what types of structures can be used to quarantine cannabis or cannabis products.	The Department disagrees with this comment. Cannabis and cannabis products that must be quarantined may be held within the premises. Specific premises requirements for storage that may be related to quarantine are included when appropriate.
15000	960	Commenter suggests that the definition of the term “product identity” or “identity of the product” should be amended to clarify	The Department disagrees with this comment. As stated in the definition, product identity

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Section of Regulation	Comment Numbers	Summary of Comments Received During 45-Day Comment Period	Department Response
		whether product identify refers to the brand name of the product, a specific product within a brand, or the product category.	means the “generic, common, or usual name of a product by which it is most commonly known.” A specific brand would likely not be a generic, common, or usual name of a product.
15000	1184, 1189, 1190, 1192, 1956,	Commenters suggest that the definition for the term “nonmanufactured cannabis products” should be amended to include pre-rolls and kief in a manner consistent with previous rulemaking.	The Department disagrees in part with this comment. Nonmanufactured cannabis products are those that include only cannabis. Pre-rolls are products that include only cannabis. Kief is cannabis. Thus, nonmanufactured products include pre-rolls and kief when produced in accordance with the requirements for producing nonmanufactured cannabis products.
15000	1191	Commenter asserts that the Department should provide a definition for the term “regulated articles” that incorporates all articles regulated by the Department.	The Department disagrees with this comment. The Act provides the Department with the authority to regulate commercial cannabis activity and licensed operators of such activity.
15000, 15041.1(a)	1213	Commenter asserts that the definition of the term “branded merchandise” contained in subsection 15041.1(a) should be moved to section 15000 so that all definitions are contained in the same section.	The Department disagrees with this comment. Section 15041.1 already contains the definition of branded merchandise. The Department believes that it is less confusing and more useful to have this definition within the section that addresses the requirements for branded

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Section of Regulation	Comment Numbers	Summary of Comments Received During 45-Day Comment Period	Department Response
			merchandise.
15000, 15047.1, 15700, 17124, 17207	1212, 1215, 1247, 1402, 1415, 1426, 1427, 1428, 1429, 1430, 1666, 1667, 1668, 1669, 1670, 1766, 1767, 1768, 1769, 1770, 1923, 1953, 2128	Commenter asserts that all definitions should be consolidated into section 15000.	The Department disagrees with this comment. Where possible the Department has consolidated definitions applicable to the entirety of the regulations in the general section applicable to all licensees. However, many definitions, such as those contained in the chapter applicable to testing laboratories are only applicable to that chapter, thus inclusion in the general section would not be appropriate.
15000, 16201	460, 706, 902, 1006, 1101, 1135, 1358, 1551	Commenter asserts that outdoor cultivation should be allowed for mixed-light licensees.	The Department agrees with this comment. Outdoor and mixed-light licensees may utilize outdoor/natural light as well as light deprivation. Mixed-light tier 1 licenses are not required to use artificial light. While the license permits such use, it is not required.
15000, 17802	1250	Commenter asserts that the Department should define the term “embargo.”	The Department disagrees with this comment. The Department believes that the regulations related to embargo of cannabis or cannabis products are sufficiently clear to define the parameters of an embargo.
15000, 17808	1255	Commenter asserts that the definition of the terms “any public sidewalk abutting a licensed	The Department disagrees with this comment. Where possible

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Section of Regulation	Comment Numbers	Summary of Comments Received During 45-Day Comment Period	Department Response
		premises,” “objectionable conditions that constitute a nuisance” and “reasonable steps” contained in subsection 17808(c) should be moved to section 15000 so that all definitions are contained in the same section.	the Department has consolidated definitions applicable to the entirety of the regulations in the general section applicable to all licensees. When a word or term is not defined in the Act or when the plain meaning of a word or term is ambiguous or differs from the legal construct surrounding it, then the Department defines the term in regulation. The Department has determined that the plain meaning of the terms referenced by commenter in section 17808 are clear and further definition is unwarranted.
15000(h)	1183	Commenter suggests that the definition of the term “cannabis concentrate” should be amended to include the term “kief” instead of the phrase “the separated resinous trichomes of cannabis.”	The Department agrees with this comment and has replaced the definition of kief with the term kief.
15000(l), 17223(f)	2, 445, 478, 767, 1938	<p>Commenters assert the definition for “cannabis waste” should be clarified, especially for the difference between cannabis and hazardous waste processing.</p> <p>One commenter believes that unprocessed cannabis must be classified as non-RCRA hazardous waste because samples collected by several local agencies failed acute aquatic toxicity 96-hour bioassay testing. Commenter suggests changing the definition of “Cannabis Waste” at section 15000 to specifically require ELAP-accredited laboratory testing before cannabis waste can be identified as organic waste.</p>	The Department disagrees with these comments. Cannabis waste is properly classified as organic waste under existing state laws. The Department has developed its regulations on waste in consultation with the California Department of Recycling, the state agency charged with governing waste, to ensure that cannabis waste is properly regulated. Additionally, requiring cannabis waste to be rendered unrecognizable and unusable leads to the

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Section of Regulation	Comment Numbers	Summary of Comments Received During 45-Day Comment Period	Department Response
		<p>Another commenter asserts that the Department should require all cannabis waste to be rendered unusable to prevent cannabis and cannabis products from being diverted into the illicit market. Commenter recommends that subsection 15000(l) should be amended to read as follows: "Cannabis waste' means any material intended for disposal that contains cannabis but is not otherwise considered a hazardous waste, that has been rendered unusable. Cannabis waste consisting solely of plant material shall be considered an organic waste as defined in Public Resources Code 42649.8(d)."</p> <p>Another commenter suggests the following definition: "Cannabis Waste" means any material intended for disposal that contains cannabis but is not otherwise considered hazardous waste under Public Resources Code section 40141. Even if hazardous waste contains cannabis residue, such as vape cartridges, it must be processed as hazardous waste rather than cannabis waste. Cannabis waste intended for disposal shall be rendered unusable by a Licensee before disposal. Cannabis waste consisting solely of plant material must still first be rendered unusable, but shall be considered organic waste as defined in Public Resources Code section 42649.8(d)."</p>	<p>unintended consequence of increasing waste which poses harm to the environment.</p>
15000(l)	1893	<p>Commenter suggests this definition should include food waste and food-soiled paper in addition to plant material as organic wastes to ensure</p>	<p>The Department disagrees with these comments. Cannabis waste is properly classified as organic</p>

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		consistency with Public Resources Code Division 30, Chapter 13.2 Short-Lived Climate Pollutants	waste under existing state laws. The Department has developed its regulations on waste in consultation with the California Department of Recycling, the state agency charged with governing waste, to ensure that cannabis waste is properly regulated. Additionally, requiring cannabis waste to be rendered unrecognizable and unusable leads to the unintended consequence of increasing waste which poses harm to the environment. The Department does not have authority to regulate food waste and food-soiled paper and defers to the California Department of Recycling for classifying such items.
15000(l)	506, 575, 1647, 1746	Commenters express support for the proposed changes to subsection 15000(l).	The Department agrees with this comment.
15000(o), 15002(c)(19), 15020, 15023(b)	1635, 1636, 1637, 1638, 1639, 1739, 1944	<p>Commenters support the proposed provisions concerning submission of the signature page of a labor peace agreement contained in subsections 15002(c)(19) and 15023(b).</p> <p>Commenters assert that this requirement has been extended to cannabis event organizers by their inclusion in the proposed definition of “commercial cannabis activity” at subsection 15000(o), and to licensure renewal applications through the cross-references to sections 15002 and 15023 included in section 15020.</p>	The Department agrees with this comment. Applicants for a cannabis event organizer license are required to comply with the labor peace provisions. Subsection (d) of section 15002 provides the specific application requirements that a cannabis event organizer is exempt from. This list does not include subsection (c)(19) which contains the requirements related to labor peace agreements.

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Section of Regulation	Comment Numbers	Summary of Comments Received During 45-Day Comment Period	Department Response
15000(q)	2148	Commenter asserts that this section should be clarified to state that cultivators can process cannabis.	The Department disagrees with this comment. The Department has incorporated the statutory definition of cultivation and included a specific definition of processing to clarify that activity.
15000(r)	1185, 1954	<p>Commenters assert that the definition for the term “cultivation site” should be amended to include all possible activities at a cultivation site.</p> <p>In some cases, commenters suggest including rolling pre-rolls, packaging, and labeling as permitted activities.</p>	The Department disagrees with this comment. The definition of cultivation site has been copied from the Act. The regulations governing cultivation sites further specify the commercial cannabis activities that may occur on the licensed premises.
15000(t)	2245	Commenter asserts that since Metrc pulls information automatically it is important that applicants understand that the designated responsible party is also the designated account manager in Metrc. Changing the Metrc account manager requires the DCC to change the DRP as well. Commenter recommends including “and who is the initial account manager in Metrc” to the definition.	The Department disagrees with his comment. The Department has defined terms consistent with their use in the regulations and the Department’s current licensing systems.
15000(t), 15002(c)(10)	498, 1186, 1885, 2064	<p>Commenters assert that cannabis businesses should be allowed to designate a non-owner representative as a designated responsible party or a primary contact.</p> <p>In some cases, commenter recommends that Section 15002(c)(10) be amended to read as follows: “Contact information for the owner of the commercial cannabis business individual who will serve as the designated</p>	The Department disagrees with this comment. The Act defines an applicant as an owner applying for a state license. The Department cannot amend statutory definitions. Further, the Act specifies that individuals who are participating in the direction, control, or management of the person applying for a

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		primary contact person or designated responsible party for the business, including the name, title, phone number, and email address of the individual."	license is an owner. Representatives that are designated as the responsible party of a business or who are primarily responsible for the application must be an owner. However, such an owner need not be an equity owner and may be an individual that is considered an owner by virtue of the direction, control, or management they will have over the licensed activities.
15000(u)	255, 282, 312, 768	<p>Commenters suggest that the definition of the term "distribution" should be revised to be consistent with what the actual functions of a distributor may be based on sections 15000(oo)(2), 15301, 15303 and 15304.</p> <p>Commenters suggest that the subsection should be amended to read as follows: "Distribution means the packaging or repackaging, labeling or relabeling, preparation of pre-rolls, storage, procurement, sale, and transport of cannabis and cannabis products between licensees."</p> <p>Other commenters assert that brokering, storage, and labeling should be added to the definition of the term "distribution."</p> <p>Commenters suggest that subsection 15000(u) should be amended to read as follows: "Distribution' means the procurement, sale, brokering, storage, labeling, and transport of cannabis and cannabis products between licensees.</p>	The Department disagrees with this comment. The Department utilizes the statutory definition of the term "distribution." The proposed regulations clarify and supplement the statutory definition by providing specific guidance on the activities that may be performed by a distributor.

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15000(v)	256, 283, 313	<p>Commenters suggest that the definition of the term “dried flower” should be revised to be consistent with the intention of the Act.</p> <p>Commenters assert that, based on a definition found in the Revenue and Taxation Code, the intention of the Act is to apply the cultivation tax only to inhalable cannabis which enters the commercial market, and not to harvested cannabis which fails to enter the market because it is unfit or undesirable.</p> <p>Commenter suggests that the subsection should be amended to read as follows: “Dried flower means all harvested cannabis flower that has been dried, cured or otherwise processed which is being sold as an inhalable cannabis flower after entering the commercial market.”</p>	The Department disagrees with this comment. It is necessary to have a clear and unambiguous definition of the term “dried flower” that applies generally to all stages of the commercial cannabis process regardless of when the dried flower enters the market.
15000(bb)	505, 574, 1646, 1745	Commenters express support for the proposed changes to subsection 15000(bb).	The Department agrees with this comment.
15000(bb)	202, 2316	<p>Commenters believe that tissue culture is fundamental to modernizing the cannabis industry because it reduces pests and pathogens while maximizing yields and predictability.</p> <p>Commenters assert that the proposed definition incorrectly categorizes containers of tissue used for tissue culture as immature plants. Commenter suggests adding the following parenthetical phrase to the end of the first sentence of subsection 15000(bb): “(excluding plant material less than 8 cm in height used for tissue culture multiplication).”</p>	The Department disagrees with this comment. The Act broadly defines cannabis to include all parts of the plant whether growing or not and includes seeds. The Department’s definition of immature plant captures plants that are between seed and maturity. As the same requirements apply to all plant matter that falls between seed and maturity, a single definition encompassing all plant matter in this stage as immature is appropriate.

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15000(bb)	877	Commenter asserts that the definition of “pre-roll” needs to be updated to include infused pre-rolls.	The Department disagrees with this comment. Pre-rolls as defined here are not the same thing as infused pre-rolls. Infused pre-rolls are pre-rolls that have been infused with a cannabis concentrate such as cannabis oil and are manufactured products that only a licensed manufacturer may produce. Pre-rolls containing only cannabis are nonmanufactured products that may be rolled by cultivators, distributors, or manufacturers.
15000(bb)	1187, 1955	Commenters assert that the definition of terms “immature plant” or “immature” should be amended to modify the root mass measurements from a mass of roots measuring greater than one-half inch wide at its widest point to a mass of roots measuring greater than one inch wide at its widest point to align with standard industry practices.	The Department disagrees with this comment. The Act broadly defines cannabis to include all parts of the plant whether growing or not and includes seeds. The Department’s definition of immature plant captures plants that are between seed and maturity. As the same requirements apply to all plant matter that falls between seed and maturity, a single definition encompassing all plant matter in this stage as immature is appropriate.
15000(bb) 15408(a)(1)	977, 1235, 1593	Commenters assert that any mention of plant size should be removed from the definition of “immature plant” and from subsection 15408(a)(1).	The Department disagrees with this comment. The Act broadly defines cannabis to include all parts of the cannabis plant, whether growing or not, and includes seeds. The

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			Department's definition of immature plant captures plants that are between seed and maturity. As the same requirements apply to all plant matter that falls between seed and maturity, a single definition encompassing all plant matter in this stage as immature is appropriate.
15000(kk), 15000(ss), 15000(xx), 16202	175, 257, 258, 284, 285, 314, 315, 572, 640, 985, 1072, 1073, 1102, 1106, 1107, 1136, 1329, 1330, 1359, 1736, 1834	<p>Commenters oppose the proposed provisions related to light deprivation.</p> <p>In some cases, commenter asserts that light deprivation should not be categorized as mixed-light cultivation because it does not require artificial light.</p> <p>Commenter asserts that cultivators utilizing light deprivation should not be charged the same rate as cultivators utilizing artificial light.</p> <p>Commenter suggests that light deprivation should be allowed for outdoor and ML1 cultivation licenses, at a minimum.</p>	The Department agrees with this comment. The Department has removed light deprivation from the definition of mixed-light cultivation to align with BPC section 26061. Thus, cultivators engaging in light deprivation and not using any artificial light no longer are required to hold a mixed-light license although such activities may continue under the mixed-light license.
15000(II)	875	Commenter asserts that any area where cash is held or processed should be classified as a "limited access area" to protect workers and make the business more secure.	The Department disagrees with this comment. The Department has defined limited-access area to mean areas where cannabis and cannabis products are stored as required by the Act. Licensees may choose to store cash in their limited-access area and may limit access to areas of their premises as they deem appropriate.

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15000(oo)(2)(C)	1188	Commenter suggests that the definition of the term “manufacture” should be amended to include the term “kief” instead of the phrase “the separated resinous trichomes of cannabis.”	The Department disagrees with this comment. The definition includes the specific activity that is not considered manufacturing, which is collecting the resinous trichomes that are dislodged or sifted from the cannabis plant incidental to cultivation activities by a licensed cultivator.
15000(rr)	876, 986, 2427	<p>Commenter asserts that the definition of “medicinal cannabis patient” should be amended to read as follows: “A ‘Medicinal cannabis patient’ is a qualified patient as defined in Health and Safety Code section 11362.7. Medicinal cannabis patients are not required to possess the identification card issued under H&S Code section 11362. 71, unless they wish to utilize Revenue and Taxation Code Section 34011 (f).”</p> <p>One commenter indicates that the Department expand the definition of “medicinal cannabis patient” extend sales tax exemptions to those with valid medical recommendations.</p>	The Department disagrees with this comment. The Department has defined medicinal cannabis patient in accordance with the Act and the Health and Safety Code. As adopted the definition includes both qualified patients with a physician’s recommendation and those patients that have an identification card.
15000(zz)	1193, 1839	<p>Commenters assert that the definition of the term “person” is inconsistent with the use of the term throughout the regulations.</p> <p>In some cases, suggests that the word “individual” should be used when referring to an individual.</p>	The Department disagrees with this comment. The Act defines person to include any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well

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			as the singular. The Department distinguishes between person and individual where appropriate.
15000(ccc)	1840	Commenter asserts that the singular of “premises” is “premise” and that the definition should be amended to define the singular use of the term “premise” instead of the plural.	The Department disagrees with this comment. The singular and plural of “premises” are spelled the same. The word “premise” has an entirely different meaning and is defined by Merriam-Webster as a statement or idea taken to be true and on which an argument or reasoning may be based.
15000(ccc)	769	Commenter asserts that subsection 15000.3(e) should be amended to explicitly allow licensees to share common use areas, such as a bathroom, breakroom, hallway, or building entrance. Commenter suggests that the last sentence of subsection 15000(ccc) should be amended to read as follows: “The premises shall be a contiguous area and shall only be occupied by one licensee, except for common use areas such as a bathroom, breakroom, hallway, building entrance, or loading/unloading area.”	The Department disagrees with this comment. The Department has repeated the statutory definition of premises here and cannot amend the definition without a legislative change. However, the Department has clarified in section 15000.3(e) that common use areas such as bathrooms, breakrooms, hallways, or building entrances may be shared. Additional areas such as loading/unloading areas may also be shared as common use areas however not included here as the list of examples is not intended to be exhaustive.
15000(ccc), 15006	1082, 1085, 1108, 1119, 1331, 1342	Commenters assert that asserts that non-contiguous spaces should be allowed to be shared between licenses held by one licensee.	The Department disagrees with this comment. The Act defines a premises as a contiguous area. A legislative change would

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			be necessary to accommodate the proposed edits.
15000(ddd)	1194	Commenter suggests that the definition of the term “cannabis goods” should be amended to include the “nonmanufactured cannabis goods”, provided that the definition of “nonmanufactured cannabis goods” includes pre-rolls and kief.	The Department disagrees with this comment. The definition encompasses all cannabis and cannabis products through the term cannabis goods including, nonmanufactured cannabis goods.
15000(eee)	667	Commenter asserts that cultivators should be allowed to engage in curing and storing on their premises. Commenter suggests that curing and storing should be separated from the definition of processing.	The Department agrees in part with this comment. Cultivation licensees are allowed to engage in curing and storing of their own cannabis on their licensed premises. Cultivation licensees are not allowed to engage in storing or curing of another licensee’s cannabis.
15000(eee), 16201(f)	1482, 1483, 1519, 1520	Commenter asserts that the definition of the term “Processor” in subsection 16201(f) should be amended to include all processing activities indicated in 15000(eee) including rolling and storing.	The Department disagrees in part with this comment. The definition of processor includes the activities a processor may conduct, including sifting and rolling. The Department has provided specific requirements for activities where necessary.
15000(ggg)	352, 961	One commenter asserts that the proposed definition of “promotional materials” now excludes permitted signs, displays, decorations, cannabis accessories, or cannabis and cannabis products furnished by a licensed retailer. Commenter believes that these excluded items are clearly promotional materials and suggests that they should be included in the	The Department disagrees with this comment. The definition of promotional materials has not changed. Further inclusion of cannabis accessories, cannabis and cannabis products would be inconsistent with the Act which prohibits providing such items for free as part of a business

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		definition. Another commenter asserts that the definition of the term “promotional materials” should be amended to clarify whether digital/e-commerce assets and branded merchandise are included.	promotion. Branded merchandise is separately defined and includes items that have intrinsic or secondary value thus not appropriate for inclusion of promotional materials.
15000(iii)	1195	Commenter asserts that the proposed definition for the term “quarantine” does not include finished cannabis goods.	The Department disagrees with this comment. The definition includes cannabis and cannabis products. Cannabis goods are cannabis and cannabis products.
15000(rrr)	770	Commenter asserts that licensed manufacturers should be allowed to prepare tinctures using cannabis and any liquid in which cannabis will dissolve, so long as the liquid is safe for human consumption. Commenter suggests that the first sentence of proposed subsection 15000(rrr) should be amended to read as follows: “‘Tincture’ means a solution of cannabis extract, derived either directly from the cannabis plant or from a manufactured cannabis extract, dissolved in alcohol, water, glycerin, or vegetable oils, or any other food-grade, edible oil.”	The Department disagrees with this comment. The Department has defined tincture narrowly to ensure its distinction from cannabis beverages, which are edible cannabis products. Tinctures, as cannabis concentrates, may have significantly more THC (up to 1,000 mg) than edible cannabis products (up to 100 mg) and are designed to generally be consumed sublingually in small amounts, whereas edible cannabis products are consumed as any food or beverage would be. To maintain the integrity of tinctures and ensure consumer safety, it is necessary to limit the ingredients permitted in tinctures to those that are consistent with sublingual or similarly fashioned consumption as opposed to edible products.

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15000(www)	1196	Commenter asserts that the definition for the term “universal symbol” to expressly exclude hemp products that contain cannabinoids.	The Department disagrees with this comment. The definition states that it is the symbol required by the Act to indicate a product contains cannabinoids. The Act applies to cannabis products and Department licensees are not allowed to manufacture or sell hemp products.
Harvest Batch	1009, 1067, 1556	Commenter asserts that the Department should adopt regulations to allow a single harvest batch to be comprised of multiple strains. Commenter asserts that the Department should allow a single harvest batch to be tested collectively for pesticides, heavy metals, and other contaminants, but should require strains to be tested independently for potency.	While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings. Harvest batch is defined as “a specifically identified quantity of dried flower or trim, leaves, and other cannabis plant matter that is harvested at the same time and, if applicable, cultivated using the same pesticides and other agricultural chemicals.” There is no requirement that the batch be comprised of only one strain.
Premises	1665, 1764	Commenter asserts that the Department should use either the word “premise” or “premises” but not both in regulations, forms, and on the website.	While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15000.1	654, 1259, 1291, 2058	Commenters assert that there is no pathway for licensees to resolve or dispute the failure of	The Department disagrees with this comment. This provision

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		another licensee to complete a transfer in Metrc. Commenters suggest that distributors should be granted the authority to resolve transfers that remain incomplete in Metrc due to inaction on the part of the recipient licensee, or that the Department should otherwise ensure that distributors can dispute any incomplete transfer found in Metrc.	does not contain requirements related to Metrc.
15000.1	2276, 2410, 2459	Commenters assert multiple types of cultivation should be allowed under one license.	The Department disagrees with this comment. The Act mandates that one license be issued per premises.
15000.1(b)	2428	Commenter asserts this subsection should be rewritten to reflect current law, which includes the option for patients to bring their cultivation purchases in for testing at a licensed cannabis laboratory.	The Department disagrees with this comment. The Department does not believe it is necessary to restate statutory provisions in this section.
15000.1(c)	878, 2048	Commenter asserts that clarification is needed to authorize online retail processing and commercial activity in the metaverse, provided such activity is done by license holders possessing a license for the activities engaged in online or in the metaverse.	While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15000.1(c)	2025	Commenter asserts that transportation-only licenses should be allowed to share a premises with another licensed activity, or in the alternative an alternative, allow a small, separate premises to be designated for recordkeeping only, such as a locked drawer with a fixed location. This premises would not be subject to any additional state requirements, such as those mandating security procedures, separate entrances, or permanent affixation to the	The Department agrees in part with this comment. Distributor-transport only licensees whose premises is on the same parcel as their cultivation premises are not required to comply with security requirements. Additionally, premises requirements for distributor-transport only licenses where cannabis and cannabis products are not stored are

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		ground.	minimal.
15000.1(c)	771	Commenter asserts that laboratories need to be allowed to transport samples to and from their premises. Commenter asserts that distributors need to be allowed to transport cannabis between the licensed premises of all license types. Commenter suggests that subsection 15000.1(c) should be amended to read as follows: "The licensee shall only conduct commercial cannabis activities authorized by the license and on the premises licensed for the activity, except for transport which may be conducted from one premises to another."	The Department disagrees with this comment. Testing laboratories are required to transport regulatory compliance samples to the licensed testing laboratory premises. Distributors are authorized to transport cannabis and cannabis products between licensees pursuant to other provisions of the Act and regulations; thus, the Department does not believe it is necessary to add the suggested language in this section.
15000.1(e)	1197	Commenter asserts that subsection 15000.1(e) is self-contradictory because it indicated that transfers are both permissible and impermissible.	The Department disagrees with this comment. The Department believes that it is clear from the language of proposed subsection 15000.1(e) that transfer, or assignment, is permissible only as provided in BPC section 26050.2 and in accordance with regulatory section 15023.
15000.1(f)	772	Commenter asserts that subsection 15000.1(f) should be amended to apply to government-facing documents, rather than all documents, to avoid consumer confusion. Commenter suggests that 15000.1(f) should be amended to read as follows: "Applicants and licensees shall use their legal business name on all correspondence with the State of California, including the Department, and license application documents."	The Department disagrees with this comment. In order to identify the licensee responsible for the commercial cannabis activity, all documents must use the legal business name. This allows both the Department and public to identify the licensee and effectively confirm licensure through

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			Department records available to the public.
15000.1(f)	208, 1485	Commenter requests clarification regarding whether the requirement for applicants and licensees to use their legal name on all business documents related to commercial cannabis activity is limited to legal documents or whether it also applies to the data tracking sheets and logs used by the Department.	The Department disagrees with this comment. The Department believes that the proposed language clearly indicates that the legal business name shall be used on all documents related to commercial cannabis activity and provides no exceptions.
15000.1(f)	1403, 1416	Commenters assert that applicants should be required to provide their legal business name and any DBA on all documents related to commercial cannabis activity.	The Department disagrees with this comment. In order to identify the licensee responsible for the commercial cannabis activity, all documents must use the legal business name. This allows both the Department and public to identify the licensee and effectively confirm licensure through Department records available to the public. The Department does not believe it is necessary to require that any DBA also be included on all documents as providing the legal business name is sufficient.
15000.2	5	Commenter asserts that veterans should be given preferential status.	The Department interprets this comment as referring to the removal of the language in section 15002(c)(5) that provided that applications from honorably discharged veterans shall have their application expedited pursuant to BPC section 115.4. This section of the

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			BPC is applicable to boards and bureaus of the Department of Consumer Affairs and was applicable to former licensing authority, the Bureau of Cannabis Control, which was part of the Department of Consumer Affairs. BPC section 115.4 is not applicable to applications received by the Department. Because the statutory authority for this provision no longer applies, the Department determined it was necessary to remove this provision.
15000.2	2247	Commenter asserts that this section should include a provision, that states that nothing in this section shall prevent the distribution of free cannabis goods to any retailer or microbusiness that is authorized to engage in retail activities pursuant to SB 34 or a local program adopted pursuant thereto.	The Department disagrees with this comment. The provisions of SB 34 have been appropriately incorporated into the retail chapter of the proposed regulations.
15000.2(b)	204	Commenter requests clarity regarding whether the proposed language requires distributors to change items in METRC to list "For Medical Use Only" in the product description every time they transfer product to a M-designated retailer. Commenter asserts that such a requirement would increase time demands for distributors and make it more difficult to fill orders for M-designated retailers. Commenter suggests that distributors should not be required to make a "For Medical Use Only" listing in the METRC item description or that retailers should be required to make the designation at the time	The Department disagrees with this comment. The proposed regulation requires that products designated as "For Medical Use Only" may exclusively be distributed and sold to medicinal retailers and microbusinesses authorized to engage in retail sales. It does not impose any requirements related to how the product must be described in METRC.

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		of intake.	
15000.2	1363	Commenter asserts that medical use licensees should be required to comply with HIPPA irrespective of their designation.	The Department disagrees with this requirement. The Health Information Portability and Accountability Act (HIPAA) is established under federal law and specifies covered entities that must comply with its provisions. Commercial cannabis licensees are not considered covered entities under HIPAA.
15000.3	1364	Commenter asserts that the Department should defer to local authorities concerning all structures that must be included as part of a licensed premises.	The Department disagrees with this comment. The Department believes the proposed requirements related to licensed premises for state licensees are appropriate. Pursuant to BPC 26200, local jurisdictions may impose requirements specific to their community. The Department has proposed a provision that allows for a private residence to be on the state licensed premises, which is generally not allowable, if required by the local jurisdiction.
15000.3	1431	Commenter asserts that the Department should specify whether licensees who are unable to comply with the premises requirements will be forced to close their facilities, find new space, and acquire new licenses.	The Department disagrees with this comment. All licensees are required to comply with premises requirements.
15000.3(c)-(f), 15000.7(c)	1924, 2129	Commenters assert that a grace period is needed for these proposed changes.	The Department agrees in part. Licensees have been provided six months to come into compliance with the provisions of

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			<p>subsections (c) and (f). The provisions contained in subsections (d) and (e) do not require time to come into compliance as they require the licensee to allow the Department access to the premises and clarifies that two or more licensed premises are not prohibited in separate areas of the same parcel of land.</p>
15000.3(d)	1486, 1629, 1957, 2295	<p>Commenters assert that subsection 15000.3(d) should be amended to require Department employees to present valid Department identification before seeking access to a licensed premises. In some cases, commenter asserts that regulations require CDTFA or local police officers to present an ID badge or some form of credentials, and to sign in/out of the visitor log in accordance with regulations.</p>	<p>The Department agrees in part with this comment. The Department staff identifies themselves as such when requesting access to a licensed premises; however, this can be done through means other than a Department identification. It is unclear what regulations applicable to CDTFA or local police officers are referenced by the commenter.</p>
15000.3(g)	3, 917, 1024, 1544, 1843, 2339, 2358	<p>Commenters assert that personal use cultivation on a licensed premises should be allowed. In some cases, commenter asserts that section 15000.3 unlawfully denies Californians their right to grow their own cannabis. Commenters also assert that licensees should be required to clearly mark the area used for personal cultivation on the premises diagram and, if necessary, on the cultivation site itself. In some cases, commenter asserts personal cultivation should be allowed but not in the designated canopy area.</p>	<p>The Department disagrees in part with this comment. The Department believes that it is necessary to keep cannabis cultivated for personal use separate from cannabis intended for public consumption to facilitate effective enforcement of the Department's regulations and to ensure the safety of the public. The Department does not intend for section 15000.3 to prevent licensees from growing cannabis for their own personal use. This section is merely intended</p>

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			to prevent licensees from growing cannabis for personal use in areas that are licensed for commercial activity. The Department intends for licensees who wish to grow cannabis for personal use to be able do so by allocating an area of their property for personal cultivation that is not part of their licensed premises for commercial purposes. The Department has amended the proposed language at section 15000.3 to allow licensees in jurisdictions that require all areas of a land parcel to be included in the licensed premises to conduct personal cultivation in a separate and distinct area which must be identified on their premises diagram. The Department believes this amendment ensures that licensee will be prohibited from growing cannabis for personal consumption by the proposed language.
15000.3	43	Commenter requests that licensees be given notice 24 hours prior to inspections. Commenter asserts that hardships have caused cultivators to seek other means of employment which may prevent them from being immediately available to provide inspectors with access to licensed premises.	The Department disagrees with this comment. The Department generally provides notice and schedules routine inspections during the licensee's disclosed hours of operation. However, in some circumstances, a notice of inspection may not be appropriate as such notice provides an opportunity to conceal unauthorized or illegal

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15000.3	44, 903, 914, 1001, 1025, 1075, 1109, 1332, 1542, 1898, 2319, 2339, 2343, 2355, 2387, 2433	<p>Commenters oppose the proposed provisions related to private residences in subsection 15000.3.</p> <p>In some cases, commenter asserts that residences should be allowed to be listed as a part of licensed cultivation premises and that, if need be, the utilization of certain areas within the home, such as home offices, garages, and other portions of the home should be allowed for any type of license. Commenter suggests that the word “required” should be replaced with the word “allowed” in subsection 15000.3(c).</p> <p>In some cases, commenter requests an exception to the provision in subsection 15000.3(c) concerning private residences for Cannabis Event Organizer licensees or Temporary Cannabis Events. Commenter asserts that this provision is overly restrictive, as many events occur at private residences.</p> <p>In some cases, commenter also requests an amendment to strike the prohibitions related to the sale of tobacco and alcohol at subsections subsection 15000.3(a) and 15000.3(b). Commenter asserts that prohibiting cannabis, tobacco, and alcohol from being sold at the same location prevents “Canna Tourism” that could draw more money to the state. Commenter suggests that cannabis should not be treated more restrictively than tobacco and alcohol, which are commonly sold together despite</p>	<p>activities.</p> <p>The Department disagrees with this comment. The Department believes that the proposed provisions related to private residences and the sale of alcohol and tobacco in proposed section 15000.3 are necessary to protect public health and safety.</p> <p>Temporary cannabis events are not permitted in private residences under the existing regulations, the existing regulations which provide at section 15601 that a temporary cannabis event may only be held at a county fair event, district agricultural association event, or at another venue expressly approved by a local jurisdiction for the purpose of holding a temporary cannabis event.</p> <p>The prohibition on the sale of alcohol or tobacco at a licensed premises is statutorily mandated under Business and Professions Code subsection 26054(a). Legislative action would be required to allow the sale of alcohol, tobacco, and cannabis at the same location.</p>

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		being more dangerous than cannabis.	
15000.3(f), 15000.7(d)	66, 174, 260, 287, 317, 457, 702, 904, 915, 916, 918, 975, 1002, 1014, 1022, 1025, 1050, 1065, 1077, 1111, 1317, 1334, 1468, 1545, 1546, 1842, 1904, 2025, 2144, 2149, 2211, 2213, 2229, 2249, 2279, 2325, 2339, 2344, 2357, 2396, 2418, 2450	<p>Commenters oppose the proposed language requiring that all structures included as part of the licensed premises must be permanently affixed to the land by a method that would cause the structure to ordinarily remain affixed for an indefinite period of time. Commenters suggest that subsection 15000.3(f) should be removed.</p> <p>In some cases, commenter suggests that local jurisdictions should have discretion to permit temporary, non-permanent structures. Commenter asserts that non-permanent structures serve several beneficial uses including allowing licensees to operate on minimal square footage and continue operations during the construction of permanent structures.</p> <p>In some cases, commenter asserts that, if subsection 15000.3(f) is maintained, licensees should be given two or three years to comply.</p> <p>In some cases, commenter asserts that requiring all infrastructure to be permanently attached to the ground brings into question much existing infrastructure including hoop houses, metal shipping containers, water storage, porta-potties and more. Commenter asserts that cultivators should be exempt from subsection 15000.3(f).</p> <p>In some cases, commenter asserts that the proposed</p>	<p>The Department agrees in part with this comment. The Department has proposed amendments to clarify the language in sections 15000.3(f) and 15000.7(d). The Department does not intend to prevent the use of shipping containers as part of a licensed premises. The Department has amended the proposed language to clarify that shipping containers can be used as a type of permanent structure under subsection 15000.3(f), and are also allowed for use as temporary storage under subsection 15000.7(d). However, the Department believes that it is appropriate to require all licensees be subject to the provisions requiring structures be permanently affixed to the land for safety and to prevent structures from easily being taken off the licensed premises. The Department has provided for a six-month grace period for licensees to come into compliance with section 15000.3(f), which is sufficient. The Department also believes it is appropriate to apply the temporary storage requirements to all licensees for consistency and safety.</p>

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		<p>language at subsection 15000.3(f) would harm the commercial cannabis industry by preventing the use of shipping containers as part of a licensed premises. Commenter suggests that the language should be amended to remove the phrase “Structures that are not considered to be permanent structures include, but are not limited to, structures that rest on wheels, or any structure that can be readily moved.”</p> <p>In some cases, commenter requests clarity regarding whether shipping containers are only permitted for temporary storage pursuant to subsection 15000.7(d), or if they can be used for other purposes as well. Commenters also suggest cultivators be exempt from this restriction.</p>	
15000.3	176, 1076, 1110, 1333	Commenters suggest that only the individual responsible for restricting access to a licensed premises should be held accountable, rather than also holding the licensee accountable.	The Department disagrees with this comment. The Department believes that it is the responsibility of the licensee to ensure that the licensed premises is accessible to the Department; this responsibility is not diminished or excused by the actions of any other person.
15000.3(ccc)	259, 286, 316	Commenters assert that the definition of the term “premises” should be revised to include exceptions for shared areas of a licensed premises pursuant to sections 15000.3, 15006, 15011, and 17124. Commenter suggests that the last sentence of this subsection be amended to read as follows: “The premises shall be	The Department disagrees with this comment. The Department asserts that subsection 15000.3(f) does not create an exception to the rule that a licensed premises shall only be occupied by one licensee, it merely states that multiple licensees can

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		a contiguous area and shall only be occupied by one licensee, except for shared areas of the premises as allowed per section 15000.3, 15006, 15011 and 17124.”	occupy separate licensed premises on the same parcel of land. This distinction is reflected in the premises diagram requirements in section 15006. The Department believes the proposed language is also consistent with the requirements for share-used facilities, as subsection 17124(a) clearly states that the use of a common area is limited to one licensee at a time. The Department has not proposed any exception that would allow multiple licensees to simultaneously occupy the same licensed premises.
15000.3	353	Commenter asserts that language has been removed from the proposed text which required that licensed premises be located at least 600 feet from schools, day care centers, and youth centers. Commenter asserts that this provision is required under MAUCRSA, subject to additional local controls. Commenter suggests that the provision should be included in the regulatory text. Commenter also suggests that the distance required be increased from 600 to 1000 feet and extended to community colleges and universities.	The Department disagrees with this comment. The Department does not believe it is necessary to restate statutory provisions in this section. The Department believes that the statutory standard is generally sufficient to protect the health and safety of the public. The Department believes that allowing local authorities to have discretion regarding whether to impose stricter standards on where cannabis businesses can operate is appropriate.
15000.3(d)	437, 470	Commenters assert that subsection 15000.3(d) should be amended to require compliance with local provisions. Commenter suggests that 15000.3(d) should be amended to read as follows:	The Department disagrees with this comment. Local jurisdictions have separate authority to establish access

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		<p>“Licensees shall ensure that the Department and any local jurisdiction that has issued a license, permit, or other authority to the Licensee have immediate access to their licensed premises. If the Department or local jurisdiction is denied access to a licensee’s premises for any reason, the licensee shall be held responsible and subject to discipline. If the Department or local jurisdiction is denied access to one licensee’s premises because of another licensee’s refusal to grant access when the only access to one licensed premises is through another licensed premises, all licensees shall be held responsible and subject to discipline.”</p>	<p>provisions for local officials related to their local license, permit or other authorization to conduct commercial cannabis activity.</p>
15000.3(h)	458, 525, 594, 703, 1317, 1547, 1671, 1770, 1959	<p>Commenters assert that the six-month deadline for compliance with subsection 15000.3(f) proposed in subsection 15000.3(h) is unreasonable. Commenters suggest that the deadline should be extended.</p> <p>In some cases, commenter asserts that subsection 15000.3(h) does not meet the original intent of the law and burdens struggling farmers.</p> <p>In some cases, commenter asserts that some existing licensees may not be able to secure landlord approval or a building/planning permit approval within the proposed timeframe. Commenter requests clarification regarding whether licensees who are unable to do so will be forced to close their businesses or find a new location and acquire a new</p>	<p>The Department disagrees with this comment. The Department believes that six months is an appropriate amount of time to allow licensees to come into compliance.</p>

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		<p>license. Commenter recommends that existing licensees be grandfathered in with a requirement for clear measures to control for theft and diversion, such as heightened surveillance monitoring requirements in these areas.</p> <p>In some cases, commenter suggests compliance is met with submission and approval of the notification form, and requests clarity or establishing a process where landlord refuses to permit changes, or disallowed by the local jurisdiction.</p>	
15000.3(f)	507, 576, 1648, 1747	Commenters express support for the proposed changes to subsection 15000.3(f).	The Department agrees with this comment.
15000.3(d)	524, 593	Commenters assert that subsection 15000.3(d) should be amended to provide an easy mechanism for licensees to notify the Department if roads are impassable due to snow or if they unable to receive or respond to messages for reasons such as the end of a season.	The Department disagrees with this comment. The Department provides licensees with many means of communication with the Department, including email and telephone methods. The Department does not believe it is necessary to include this information in the section.
15000.3	670	Commenter states they hope the requirement for structures to be permanently tied to the ground doesn't include pier and post for storage. Commenter states there is no reason for greater requirements for agricultural buildings, storage rooms, propagation tunnels, or greenhouses. Commenter also asserts handicap bathrooms should not be required when they do not have employees.	The Department agrees in part with this comment. Nothing in this section is intended to prohibit cultivators from using necessary equipment such as hoop houses, tarps, and agriculture chemical storage containers. To ensure structures used to store cannabis and cannabis products are not unsecured, which may

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			lead to increased theft, the Department has determined it is necessary to require structures that are not on wheels and not readily movable. The Department does not have any requirements related to bathrooms except for the requirement that bathrooms be separated from storage areas by solid walls extending from floor to ceiling to prevent contamination.
15000.3(e)	773	Commenter asserts that the list of uses for common areas should be amended to include both loading and unloading areas, to clarify that not only building entrances, but also the parking area immediately adjacent to the entrance, may be shared among licensees. Commenter suggests that subsection 15000.3(e) should be amended to read as follows: "Nothing in this section shall be interpreted to prohibit two or more licensed premises from occupying separate portions of the same parcel of land or sharing common use areas, such as a bathroom, breakroom, hallway, loading/unloading area, or building entrance."	The Department agrees with this comment. The shared spaces listed in the regulations are meant to be examples but not an exhaustive list. The proposed regulations do not prohibit licensees from sharing parking areas and loading and unloading areas as common spaces.
15000.3(h)	849	Commenter supports the six-month grace period to comply with subsections 15000.3(c) and 15000.3(f).	The Department agrees with this comment.
15000.3, 15315	1027, 1564	Commenters assert that distribution transport-only licensees should not have to comply with the requirement under section 15000.3 that structures on the licensed premises be permanently affixed	The Department agrees in part with this comment. The Department has amended the section to clarify that structures must be permanent rather than affixed to the ground.

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		to the ground.	
15000.4	1198, 1844	Commenters assert that section 15000.4 should be amended so as not to prohibit MSA business relationships where a person or entity has been properly added as an owner to manage, direct or oversee the business.	The Department disagrees with this comment. Licenses are not transferable and may not be leased to others. Owners disclosed to manage a licensed premises would not be subleasing the license from the licensee.
15000.4	1365	Commenter asserts that licensees should not be prohibited from subletting a licensed premises. Commenter suggests that the Department should create three boards, one in the north, one in the south, and one in central California, each of no more than 5 people per board that includes both stake holders in cannabis and at least one individual from the community who is not a stake holder, to advise how to incorporate a greater degree of players into the licensed market.	The Department disagrees with this comment. The Department believes it is necessary for to ensure that the licensee is the only one in control of access to the licensed premises and the activities conducted therein to protect public health and safety.
15000.4	526, 595, 1678, 1777	Commenters suggest that section 15000.4 should be updated to specify that it applies only to commercial cannabis business operations and not to all kinds of business operations.	The Department disagrees with this comment. The Department believes it is clear from the proposed language that section 15000.4 prohibits licensees from allowing another person to conduct business operations in any area designated as the licensed premises. The Department does not intend for this section to prohibit licensees from acquiring services for their own business, such as repair services for their facilities.
15000.4	664, 891	Commenters assert that prohibiting organizations from	The Department disagrees with this

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		operating out of a licensee's licensed premises as a third party will exacerbate the financial hardships endured by new cannabis businesses and cannabis businesses in rural areas.	comment. The Department believes it is necessary for to ensure that the licensee is the only one in control of access to the licensed premises and the activities conducted therein to protect public health and safety.
15000.5	527, 596, 1665, 1764	Commenters suggest that section 15000.5 should be amended to replace "his or her" with gender-neutral terminology.	The Department agrees with this comment and has proposed additional non-substantive edits to remove gender identifying language.
15000.6	4, 45, 87, 722	<p>Commenters assert that the age limit to work on a cannabis farm should be reduced from 21 years of age to 18 years of age.</p> <p>In some cases, commenter suggests that this change should be made to mirror the age limit of the United States military, or of barback in the liquor industry.</p> <p>In some cases, commenter suggests an exception to the age requirement of 21 years of age imposed under section 15000.6 for persons 18 -21 years of age with qualifying medical conditions and current and valid doctor-provided prescription and/or state-registered medical cards. Commenter asserts that this demographic should be allowed to work in a cannabis business since the state allows them to medicate.</p>	The Department disagrees with this comment. The age limit to work within or on a licensed premises is statutorily mandated. Business and Professions Code section 26140 provides that licensees must not employ or retain persons under 21 years of age. Legislative action would be required to reduce the age limit.
15000.7	892, 1366	Commenters assert that storage of inventory should include quality control methods, a sanitization process, a structure for proper storage and reduction of potential adulteration as used in every other form of agriculture in this	The Department disagrees with this comment. The Department has provided general storage requirements in this section. Specific

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		state. Commenter suggests that the Department should utilize the sanitization standards and quality control measures used throughout agriculture in California.	requirements for storage by each license type are contained in the applicable chapters where appropriate.
15000.7(c)	46, 528, 597, 643, 724, 774, 912, 1199, 1260, 1292, 1318, 1404, 1417, 1432, 1487, 1672, 1771, 1845, 1925, 1960, 2059, 2130, 2150, 2184, 2212	<p>Commenters suggest striking subsection 15000.7(c). Commenters assert that the Department should allow employee break rooms in places where inventory is stored to avoid creating barriers to entry for licensees who cannot afford large facilities or cannot afford to pull the permits required to construct a wall that would separate a break room from the inventory storage area.</p> <p>In some cases, commenter asserts that some existing licensees may not be able to secure landlord approval or a building/planning permit approval. Commenter requests clarification regarding what licensees should do if they are unable to comply.</p> <p>In some cases, commenter suggests an exemption for current provisional and annual license holders.</p> <p>In some cases, commenter suggests an amendment to allow for walls that extend partially but not fully to the ceiling, on a case-by-case basis.</p> <p>In some cases, commenter suggests an exemption from employee break rooms, if captured by surveillance camera, or to provide a six month grace period, or grandfather existing facilities.</p>	<p>The Department disagrees in part with this comment. The Department believes that it is necessary to keep employee break rooms separate from cannabis storage areas in order to reduce the opportunity for theft or diversion and to minimize the potential for contamination of cannabis and cannabis products. The Department has amended the language proposed in subsection 15000.7(c) to be less restrictive regarding the physical requirements for employee break areas while still accomplishing the intended purpose of this section. The Department believes it is appropriate to require all licensees to comply with the requirements and that a grace period is not necessary.</p>

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15000.7(c)	2296	Commenter asserts that many distributors use steel cages or chain link fencing with the same material as the ceiling to separate product storage areas from open office space or break rooms. If the issue is protecting manufacturing areas from breakrooms, then it should only apply to manufacturing spaces. Commenter suggests striking "solid walls" or specify that the solid walls applies to manufacturing spaces.	The Department agrees with this comment. The section has been revised to only require solid walls between storage areas and bathrooms and changing facilities.
15000.7(d)	1405, 1418	Commenter asserts that the Department should provide information regarding how long a shipping container may be used as temporary storage.	The Department disagrees with this comment. The Department believes that the proposed regulations related to temporary storage of inventory are sufficient.
15000.7(d)	1846	Commenter asserts that shipping containers should be allowed for regular storage and subdivision (d) should be struck in its entirety.	The Department agrees with this. Amendments have been made to indicate shipping containers may always be used and additional storage containers may be added at any time without prior approval of the Department.
15000.7(d)	529, 598	Commenter requests guidance or expectations as to how far in advance licensees must submit modification requests pursuant to subsection 15000.7(d)	The Department expects licensees to submit modification requests as promptly as practicably possible.
Appellations Generally	1604, 1605, 1606	Commenter suggests that the proposed regulations should be amended to include a section for "Effective Dates" that allows for a one-year sunset period only for geographic brands that were in use before February 21, 2020, when the first Notice of Proposed Rulemaking for the CAP was published by CDFA.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings. In implementing new regulatory or statutory

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		<p>Commenter asserts that the Department should coordinate with CDFA to notify all cannabis licensees in California of perfected petitions, notices of proposed action, and final decisions on cannabis appeal petitions, both those to establish an appeal and to amend an appeal.</p> <p>Commenter suggests that the proposed regulation should be amended to add provisions specifying record retention requirements and violation stipulations for appeal of origin, city, county and city, and county of origin, based on the CDFA proposed language.</p>	<p>requirements the Department prioritizes education and bringing the licensee into compliance over formal disciplinary action. All records related to commercial cannabis activity, including for appeals, must be maintained for 7 years.</p>
15000.8(c)	1200	<p>Commenter suggests that subsection 15000.8(c) should be amended to correct a typo at the beginning of the subsection.</p>	<p>The Department agrees with this comment. The Department has proposed amended language to address the typo in subsection 15000.8(c).</p>
15000.8	1367	<p>Commenter asserts that section 15000.8 should be amended to specify that the Emerald Triangle is a topographical feature defined by the Klamath Mountain Range and is clearly visible in the USDA seed hardness map.</p>	<p>The Department disagrees with this comment. The California Department of Food and Agriculture maintained the authority to establish and approve appellations of origin.</p>
15000.8, 17408	1608	<p>Commenter asserts that sections 15000.8 and 17408 should be amended to require that all cultivation activities occur within the specified geographic boundary, inclusive of planting, growing, harvesting, drying, curing, grading, and trimming for cannabis to be considered to have been produced within the specified geographic boundary.</p>	<p>The Department disagrees with this comment. The California Department of Food and Agriculture maintained the authority to establish and approve appellations of origin.</p>
15000.8, 15000.9,	75, 1034, 1038,	<p>Commenter suggests that the Department should adopt</p>	<p>The Department disagrees in part with this</p>

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15000.10	1049, 2022, 2341, 2360	regulations regarding appellations of origin that resemble those proposed by the CDFA. In some cases, commenter expresses support for the amendments proposed by the Origins Council. Commenter suggests that the Department should implement concepts related to City and County of Origin and Appellations of Origin already developed by experts, legislators, and regulators.	comment. The authority to establish appellations of origin is not vested in the Department and remains with the California Department of Food and Agriculture. Regulations on appellations for both Departments were developed in accordance with the authority allocated to each department in statute.
15000.8, 15000.9, 15000.10	250, 850	Commenters express support for the proposed language in sections 15000.8, 15000.9, and 15000.10. Commenter believes these sections generally advance the Department's goals of protecting consumers from fraudulent or mislead claims and protecting the integrity of the appellations of origin program. Commenter expresses concern that many cannabis businesses evade requirements related to advertising the appellation of origin. Commenter suggests that the Department should increase enforcement efforts to address this problem.	The Department agrees with this comment in part and notes commenter support.
15000.8, 15000.9, 15000.10	1847	Commenter asserts that these provisions are regulated primarily by CDFA and the Department should collaborate with CDFFA in verifying proper usage of appellations by licensees	The Department agrees with this comment.
15000.8, 15000.9, 15000.10	2023	Commenter asserts that regulations need to prohibit the marketing, advertising, or labeling of a non-existent appellation, similar to CDFA regulations formerly proposed. Commenter requests clarification from the Department that cannabis may not be marketed, advertised, or labeled as "appellation" cannabis	The Department disagrees with this comment. Licensees are required to comply with the requirements related to use of appellations of origin.

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		<p>for an appellation which does not exist. Commenter also recommends the addition of the following language in regulation to clarify that non-existent appellations may not be marketed: Cannabis shall not be advertised, marketed, or labeled as containing any statement, design, device, or representation which tends to create the impression that the cannabis originated from an appellation of origin unless (1) the cannabis was produced in an appellation of origin established by the California Department of Food and Agriculture, (2) the cannabis was produced in the geographical area of the appellation of origin, and (3) the cannabis was produced according to all standard, practice, and cultivar requirements of the appellation of origin.</p>	
15000.8, 15000.9, 15000.10	2363	<p>Commenter asserts it is very concerning how many roadblocks and over-regulation there are for appellations, which is not in parity with other industries.</p>	<p>The Department disagrees in part with this comment. The authority to establish appellations of origin is not vested in the Department and remains with the California Department of Food and Agriculture. Regulations on appellations for both Departments were developed in accordance with the authority allocated to each department in statute. Further, regulations for appellations were developed following extensive stakeholder input conducted by the Department of Food and</p>

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			Agriculture and in consideration of existing appellation requirements for other industries.
15000.9	1611	Commenter suggests that section 15000.9 should be amended to include a three-year term and renewal requirement for a Notice of Use, a two-year grace period for appellation producers who have fallen out of appellation production, and the ability for the agency to cancel an abandoned appellation, as was proposed by CDFA. Commenter asserts that this subsection should be amended to clarify that a licensee may only submit a notice of use for an established appellation of origin. Commenter asserts that licensees should be allowed to file one Notice of Use covering multiple appellations. Commenter suggests that the Department should stipulate the process for licensed cultivators to designate city, county or city and county of origin cannabis and cannabis products, in conformance with BPC section 26063 (a)(1), that mirrors the proposed process for appellation of origin.	The Department disagrees in part with this comment. The authority to establish appellations of origin is not vested in the Department and remains with the California Department of Food and Agriculture. Regulations on appellations for both Departments were developed in accordance with the authority allocated to each department in statute. For this rulemaking, the Department prioritized a clear process for licensees to notify the Department of their intended use of an appellation. The Department looks forward to working with stakeholders on the development of future policies.
15000.9	1603	Commenter suggests that the proposed regulations should be amended to address the issue of conflicts between geographic trademarks and appellations.	The Department disagrees in part with this comment. The authority to establish appellations of origin is not vested in the Department and remains with the California Department of Food and Agriculture. Regulations on appellations for both Departments were developed in accordance with the authority allocated to each

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			department in statute. Additionally, the Department is not vested with the authority to establish or enforce trademarks.
15000.9, 15000.10	1971, 2283	Commenter asserts that these sections should be removed entirely, as the requirement is unnecessary; CCTT is designed to track batches and appellation can be easily determined in Metrc. Existing technology should be used, rather than imposing additional requirements on licensees. Other commenter asserts that section 15000.9 allows for information to be included on the sales invoice whereas the information is mandated in 15000.10.	The Department disagrees with this comment. The CCTT system does not capture the information necessary to determine a licensee's eligibility to use an appellation. Lastly 15000.9 and 15000.10 are not the same requirements, thus allowing for information on the sales invoice in 15000.9 and mandating specific information be included on the sales invoice under 15000.10 are not inconsistent.
15001	1472	Commenter supports allowing provisional licenses until at least June 2024.	The Department disagrees with this comment. The Act establishes the period for issuing provisional licenses. The change proposed would require legislative action.
15001	1368	Commenter asserts that the Department should notify all financial interest holders, the license holders on a provisional license, and the landowner of refusal by the Department to issue or renew a provisional license pursuant to section 15001.1 or section 15001.2	The Department disagrees with this comment. The Department believes that notifying the persons responsible for the application that a provisional license will not be issued or renewed is appropriate.
15001(a)	1644, 1742	Commenters support the proposed amendments to	The Department agrees

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		subsection 15001(a).	with this comment.
15001(b), 15001(e)	21, 29, 35, 96, 920, 1576, 1848, 2250	Commenters suggest that provisional license holders should be given due process rights to appeal the denial or revocation of a provisional license. Commenter suggests an amendment informing prospective licensees that they are entitled to a hearing or an appeal if the Department decides not to issue a provisional license. In some cases, commenter suggests amending subdivision (e) to provide hearing rights for provisional licensees.	The Department disagrees with this comment. The provisions contained in this section are statutorily mandated. BPC section 26050.2 provides that refusal by the Department to issue a provisional license, or revocation or suspension by the department of a provisional license, does not entitle the applicant or licensee to a hearing or an appeal of the decision. Legislative action would be required to entitle applicants or licensees to appeal the denial or revocation of a provisional license by the Department.
15001(d)(1), 15012(c)	530, 599, 1673, 1682, 1772, 1781	Commenters assert that the proposed timeline for fee payment may impose undue and unnecessary hardship. Commenters suggest that the Department should allow outdoor cultivation licensees to elect to have a renewal cycle based on calendar year, rather than the arbitrary date of approval.	The Department disagrees with this comment. The Department believes that the proposed timeline requiring payment within 60 days is sufficient time for a person to pay the license fee. BPC section 26050 provides that a license is valid for 12 months from the issuance date; thus, the renewal date is based on the initial issuance date for the license.
15001(d)(2)	531, 600	Commenter requests that the Department contact applicants via email (for a paper record) and offer applicants an option to indicate a preference for an alternative communication modality, such as by phone. Commenter also requests that the	The Department disagrees with this comment. The Department believes that the proposed procedures are adequate to ensure that licensees receive Department

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		Department notify all owners on the account with a timeline for responding before considering an application abandoned.	communications without unduly burdening the Department. Licensees are responsible for ensuring that they can be reached at the contact information provided to the Department, including the email address.
15001(d)(2)	921, 1577, 1674, 1773	Commenters assert that the deadline established by subsection 15001(d)(2), which requires that licensees submit requested information or a statement demonstrating that the information cannot be provided by the response date specified by the Department, or within 30 calendar days of the date the Department sends the information request, should be extended to 90 calendar days from the information request.	The Department disagrees with this comment. The Department believes that the timelines established under proposed subsection 15001(d)(2) are appropriate to demonstrate that the provisional licensee is actively and diligently pursuing the annual license as required.
15001, 15012, 15020, 15023, 15048.1, 17305, 17801, 17801.5	948, 1161, 1162, 1163, 1164, 1165, 1166, 1167, 1573,	Commenter asserts that all proposed regulatory changes requiring notice to or approval by the Department should contain clear and reasonable timeframes for Department response or approval to ensure regulatory predictability and allow applicants and licensees to operate without undue delay and uncertainty as to critical operational decisions.	The Department disagrees with this comment. Response time is contingent upon the complexity, completeness, and volume of information provided to the Department; thus, mandating a specific time for response would not be appropriate.
15001.1	22, 30, 36	Commenter asserts that licensees need to be able to continue to operate while the Department processes their annual license applications. Commenter requests an amendment to provide "interim" licenses while annual licenses are being processed.	The Department disagrees with this comment. BPC section 26050.2 explicitly provides that the Department may not renew a provisional license after January 1, 2025 and no provisional license shall be effective after January 1, 2026. The Department may not extend this timeline in

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			regulation.
15001.1, 15001.1(b)(2)	177, 1078, 1112, 1335	Commenter asserts that it is unfair to rural farmers to limit outdoor cultivation to 20,000 square feet, while mixed-light cultivation is not limited to 20,000 square feet. Commenter suggests that the threshold imposed under 15001.1(b)(2) should be adjusted from 20,000 feet to 43,560 feet.	The Department disagrees with this comment. Between July 1 and September 30, the Department may issue a provisional license only to cultivators that are not requesting a license that exceeds 20,000 square feet of outdoor cultivation. This limitation is contained in BPC section 26050.2; amendment of the limitation would require legislative action.
15001.1	1369	Commenter asserts that a portion of the taxation conducted pursuant to section 15001.1 should go toward communities harmed by the war on drugs.	The Department disagrees with this comment. The proposed regulation does not contain provisions for taxation.
15001.1	2274	Commenter asserts that removing the condition regarding contiguous premises would allow continuing operating with legal nonconforming status while moving forward on the local permitting process. Remove subsection (c).	The Department disagrees with this comment. BPC 26050.2 prohibits the Department from renewing a provisional license after January 1, 2023, if doing so would result in the licensee holding multiple cultivation licenses on contiguous premises that exceed one acre of outdoor cultivation or 22,000 square feet of mixed-light or indoor cultivation. Therefore, the Department may not remove from the proposed regulation the prohibition on contiguous premises for provisional licenses contained in the Act.
15001.1(b)(4)	2020	Commenter asserts that the dictionary definition of contiguous should be incorporated.	The Department disagrees with this comment. When a term is

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			not defined in regulation, the common definition is applied.
15001.2	1370	Commenter asserts that a portion of the taxation conducted pursuant to section 15001.2 should go toward communities harmed by the war on drugs.	The Department disagrees with this comment. The proposed regulation does not contain provisions for taxation.
15001.2, 15020	2004	Commenter asserts that the Department typically waits until the day a license expires to notify the license holder of license renewal approvals. This uncertainty places undue burdens on businesses. Commenter suggests requiring the Department to notify renewal applicants who timely file renewal applications to notify the applicant at least 21 days prior to the expiration date of their current license that either their license will be renewed upon expiration of current license, or the specific deficiencies in the renewal application preventing such notice of license renewal.	The Department disagrees with this comment. The Department sends multiple reminders regarding renewal however, it is the licensee's responsibility to be aware of the expiration date of their license and timely submit all required documentation to process the renewal. The timing of the Department's approval is contingent on the complexity, completeness, and time of submission of the renewal request. To provide for a specific time by which the Department must notify the licensee of approval of a renewal in all instances would not be appropriate.
15001.3(c)	1973, 2284	Commenter asserts that official notices should be issued via both mail and electronic mail to a DRP.	The Department agrees with this comment. The Department issues notices in accordance with the regulations and the Administrative Procedure Act.
15001.4	851	Commenter requests that section 15001.4 be amended to be more environmentally friendly. Commenter suggests that section 15001.4 should be amended to read as follows: "The Department may immediately suspend any	The Department disagrees with this comment. The Department believes that protecting the public health, safety, and welfare encompasses prevention

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		provisional license, or immediately impose licensing restrictions or other conditions upon any provisional licensee, if necessary to protect public health, safety or welfare, or to prevent environmental harms.”	of environmental harms.
Replacement Applications	2267	Commenter asserts that there is a process whereby an applicant can change license types through a “replacement application” and believes this is a process that should be available to all licensees. Since many cultivators are going out of business, it would be helpful to allow them to downsize before closing their doors through a delineated process, such as the replacement application process.	While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Switching License Types	2017	Commenter asserts that the Department should streamline the ability to switch cultivation license types, including changing production method under the same cultivation area, or decreasing cultivation area under the same production method. Commenter requests that the Department establish a process to make this change under a streamlined process, rather than requiring a fully new application. Commenter also requests that a reduction in cultivation size - such as from 10,000 square feet to 5,000 square feet - can be accomplished under a streamlined modification process when requested on the same premises as an existing license.	While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Labor Relations	52	Commenter suggests that the Department should strengthen the regulations that govern the labor relations of cannabis licensees. Commenter believes that many California cannabis businesses	While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the

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		choose to operate without required Labor Peace Agreements due to the lack of enforcement mechanisms. Commenter suggests that the Department implement more aggressive enforcement mechanisms including a requirement that licensees immediately report any filing of a ULP charge with the NLRB to the Department, and a mandate that any ULP charge that results in the issuance of an NLRB Complaint result in the immediate revocation of a licensee's license.	development of policies for future rulemakings.
Cannabis Waste Disposal Operator License	55, 1939	Commenters asserts a new license type for cannabis waste operators is needed.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Self-Processor License	88, 98, 103, 139, 455, 700	Commenters suggests that there should be an option for a self-processing license for cultivators.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Confidential Documents	563, 631, 1726, 1824	Commenter asserts that SOPs should be considered confidential trade secrets and should be protected from disclosure pursuant to the Public Records Act.	The Department disagrees with this comment. The Department reviews claims of confidentiality on a case-by-case basis. The Department does not guarantee that all documentation claimed by a licensee to be confidential will be protected from disclosure under the California Public Records Act or other applicable law. However,

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			the does makes every effort to protect non-disclosable information.
Timeframes	566, 567, 635, 636, 658, 1730, 1731, 1828, 1829,	Commenter asserts that specific time frames should be provided by which licensees can expect responses from the Department where rules require licensees to obtain pre-approval from the Department.	The Department disagrees with this comment. The Department typically responds to communications within a reasonable time. The Department does not believe it is necessary to establish a set deadline for the department to acknowledge or return communications.
Department Correspondence	568, 636, 1732, 1830	Commenter asserts that correspondence from the Department's licensing agents is frequently delayed, inconsistent, vague, or in contradiction with the current regulations. Commenter suggests that the Department work with licensing agents to provide clear, concise, and consistent guidance to license applicants.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Licensing	659	Commenter asserts that Department licensing agents must be clear, concise, and consistent across all teams as to the needed information and documentation that they require of applicants in order to process a license application or business modification.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Accela Issue	2002, 2291	Commenter asserts that the Department has turned-off many Accela features that would streamline simple updates, so that licensing for retail, distribution, and labs is primarily done via pdfs and email. Commenter suggests turning on Accela features to avoid emailing pdfs.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Out-of-State	2005, 2290	Commenter asserts that	While not on the proposed

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Background Checks		LiveScans can only be completed when in California. When the owner is out-of-state, an FD-258 must be completed, and there are many factors that make this process challenging including: FD-258 cards not arriving in a timely manner, fingerprint inkers making mistakes, cards getting destroyed in transport, etc. Commenter suggests allowing owners to obtain their own FD-258 hard cards, fill in their own personal information, and mail back to the Department where the Department could then add their billing and other required information; or same as a Live Scan--require only one FD-258 per person and that background check applies to all licenses where the person is an owner.	action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Licensing Record	1677, 1776	Commenter asserts that the Department should implement a document retention policy where the original documents are promptly removed from the Department's system once they have been reviewed and the license analyst's confirmation of ownership/control is documented in the Department's files.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Licensing Records	908	Commenter asserts that Accela users should be able to hide old or expired licenses and organize their files in folders.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Licensing Amendments Generally	1007	Commenter asserts that the Department should establish a process whereby licensees can make changes to their production methods or reduce cultivation size	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with

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		without submitting a new application	stakeholders on the development of policies for future rulemakings.
15002, 15000.1, 15006, 15042	136, 151, 273, 274, 300, 301, 330, 331, 459, 692, 704, 705, 890, 901, 923, 998, 1005, 1066, 1074, 1083, 1084, 1117, 1118, 1340, 1341, 1550, 1902, 2408	<p>Commenters suggest that licensees who have multiple licenses on the same parcel should be allowed to share processing and nursery areas.</p> <p>In some cases, commenter asserts that such licensees should also be allowed to utilize shared packaging, and storage facilities. Commenter asserts that the current structure, which requires a separate processing or nursery license, favors large farms over small operators.</p> <p>In some cases, commenter asserts that licensees should be allowed to apply for multiple licenses on a common parcel with a common owner using a single consolidated application.</p>	The Department disagrees with this comment. The Act limits the occupation of a premises to a single licensee; therefore, shared dual licensed areas where commercial cannabis activity is conducted is not appropriate. Additionally, the Act requires submission of an application for each license sought.
15002	655	Commenter asserts that the Department should clarify alternative means whereby applicants and licensees may submit required information and documentation to the Department when the Accela licensing portal is encountering errors. Commenter asserts that the Department must clearly and quickly communicate outages of the licensing portal to applicants and licensees.	The Department disagrees with this comment. Licensees who are unable to access Accela can contact the Department for alternative means to submit required information and documentation.
15002	1150	Commenter asserts that applicants for licensure should not be required to submit the full employment history of the owner or to individually enter each license associated with the owner.	The Department disagrees with this comment. The Department believes that the proposed requirements related to annual license application are appropriate to properly evaluate the application.

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15002	532, 601, 1676, 1775	Commenters assert that the proposed regulations eliminate the option of submitting a hard copy application and require all applicants to use the online system for licensing submission. Commenter asserts that the ISOR indicates that there will be a pathway for applicants who cannot access the online submission feature; commenter requests that this pathway be put in the regulations or otherwise clarified.	The Department disagrees with this comment. The Department believes that applications should be submitted using the online system. Applicants that require a hard copy application may contact the Department to request one.
15002(b)(10)	2098	Commenter asserts that this subsection conflicts with the definition of Designated Responsible Party in section 15000(t), and this subsection should be amended to allow for any individual, not just an owner, to be a designated primary contact person or designated responsible party.	The Department disagrees with this comment. The Act defines an applicant as an owner applying for a state license. The Department cannot amend statutory definitions. Further, the Act specifies that individuals who are participating in the direction, control, or management of the person applying for a license is an owner. Representatives that are designated as the responsible party of a business or who are primarily responsible for the application must be an owner.
15002(b)(24)	438, 471	Commenter asserts that subsection 15002(b)(24) should be amended to reference the procedure applicable when the applicant does not include a copy of their local permit. Commenter suggests that the following language be added to the end of subsection 15002(b)(24): “Notwithstanding a presumption by the Department that an authorization is valid pursuant to	The Department disagrees with this comment. The Department does not believe it is necessary to restate provisions of the Act in this section.

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		this subdivision, the Department shall deny an application if the local jurisdiction notifies the Department pursuant to Business and Professions Code section 26055(g) that the commercial cannabis activity proposed by the application is prohibited or the applicant is not in compliance with a local ordinance or regulation. If an applicant does not submit a copy of a license, permit, or other authorization from the local jurisdiction, the Department will follow the process and timelines set forth in subdivision (g)(2) of Section 26055 of the Act."	
15002(c)(5)	47, 1079, 1113, 1336, 1598, 1900, 2321	Commenters request an amendment to allow cultivators to provide an APN number in place of an address. Commenters assert that many applicants for provisional outdoor or mixed light cultivation licenses only have an APN number, and that landowners must engage in a lengthy process with their local jurisdictions and the United States Postal Service to agree on an address which can delay the licensing process.	The Department agrees with this comment. The Department has amended the language proposed at subsection 15002(c)(5) to allow the use of assessor parcel numbers.
15002(c)(6)-(7)	508, 577, 1649, 1748	Commenters express support for the proposed changes to subsection 15002(c)(6)-(7).	The Department agrees with this comment.
15002(c)(10)-(11)	1868	Commenter asserts that rules for non-owner contacts are inconsistent across the three licensing systems and the Department should create a standard that allows non-owner contacts/delegates to respond to deficiencies, submit modifications, and upload documents.	The Department disagrees with this comment. The Act defines an applicant as an owner applying for a state license. The Department cannot amend statutory definitions. Further, the Act specifies that individuals who are participating in the direction, control, or management of the

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			person applying for a license is an owner. Representatives that are designated as the responsible party of a business or who are primarily responsible for the application must be an owner.
15002(c)(12)	509, 578, 1650, 1749	Commenters express support for the proposed changes to subsection 15002(c)(12).	The Department agrees with this comment.
15002(c)(22)	510, 579, 1175, 1651, 1750, 1919, 2124	Commenters express support for the proposed changes to subsection 15002(c)(22).	The Department agrees with this comment.
15002(c)(13)	533, 602	Commenters request clarification regarding when the Department is likely to request additional materials pursuant to subsection 15002(c)(13).	The Department disagrees with this comment. Whether additional materials will be requested is determined by the information provided to the Department.
15002(c)(16)(J)	534, 603	Commenter suggests that the hardcopy owner submittal form should reflect the option to provide an identification number in place of a government-issued ID.	The Department disagrees with this comment. The Department believes that the requirement should be consistent amongst all owner regardless of the method used to submit the owner submittal form.
15002(c)(16)(K)	569, 637, 656, 1203, 1319, 1733, 1831, 2000, 2214	Commenters assert that the requirement that LiveScans must be completed for every license separately is an extraordinarily high burden. Commenter suggests that the Department should accept Livescans submitted as part of previous applications within a specific timeframe.	The Department agrees with this comment in part. The Department recognizes that submitting fingerprints for each license leads to an increase in cost and time for persons that are owners on multiple licenses. However, the Act requires that owners submit fingerprints as part of an application for

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			licensure and the process by which fingerprints must be submitted to DOJ and the FBI currently requires separate submissions.
15002(c)(22)	739, 819, 2193	Commenters support the proposed amendments to subsection 15002(c)(22).	The Department agrees with this comment.
15002(c)	1202	Commenter suggests that subsection 15002(c) should be amended to clarify that each owner must complete an owner application as outlined in subsection 15002(c)(16).	The Department disagrees with this comment. The Department believes it is clear from the language of subsection 15002(c)(16) that every individual named on the owner list must submit the information requested under that subsection as part of the application.
15002, 15002.1, 15601	736, 818, 1524	<p>Commenters assert that the four-day limit for temporary cannabis events should be extended.</p> <p>In some cases, commenter suggests that temporary cannabis event licensees should be allowed a load in and/or breakdown period the day before and after an event, or for a designated period of hours that is not included in the calculation of the cannabis event period.</p> <p>In some cases, commenter asserts that the four-day limit should only apply to the hours that cannabis and cannabis products are available for retail sales rather than to the total time onsite.</p>	No substantive amendments have been proposed to section 15601 related to the maximum number of days for a temporary cannabis event license. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15002, 15002.1, 15601	2033	Commenter asserts that temporary cannabis events have a 3-day limit, which includes all movement of cannabis on/off the premises, and this is a major logistical and security hurdle. Commenter suggests allowing a	The Department disagrees with this comment. The regulation provides for a 4-day limit.

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		breakdown period the day before/after an event, or designate the 3-day limit as an “active” portion of the event.	
15002.1	144, 1080, 1114, 1337	Commenter requests that the rules concerning temporary event applications be modified to allow applicants to submit an assessor’s parcel number if there is not physical address for the event location.	The Department agrees with this comment and has proposed amended language to allow the use of an assessor parcel number or street description if no address exists.
15002.1	962	Commenter asserts that the Department should not require an applicant for a temporary cannabis event license to provide a detailed diagram as described in subsection 15002.1(b)(5) until after the license is provisionally approved by the Department and local approval for the temporary cannabis event is secured.	The Department disagrees with this comment. The Department believes it is necessary to require applicants for temporary cannabis event licenses to provide a complete premises diagram as indicated under subsection 15002.1(b)(5) prior to the issuance of a temporary cannabis event license as part of the application review process to determine compliance with statutory and regulatory requirements.
15002.1	1377, 1869	Commenters assert that licensees should not be required to provide a list of all non-cannabis vendors that will be participating in a temporary cannabis event.	The Department disagrees with this comment. The Department believes it is appropriate to identify all vendors participating in the event as part of the application review process to determine compliance with statutory and regulatory requirements.
15002.1	1849	Commenter asserts that subdivision (b)(10) should be broken into two subsections, one for licensees, and one for non-cannabis vendors.	The Department agrees with this comment and has made the suggested change.
15002.1	2049	Commenter asserts that clarity is	The Department

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		need as to disclosure requirements. Commenter suggests providing a grace period to provide notice or disclosure of licensees and non-cannabis vendors, as event production is fluid and can be last minute, and there should not be significant penalties for small or limited violations.	disagrees with this comment. BPC section 26200 requires applicants to provide a list of those participating in cannabis sales at the event 60 days prior to the event. However, as specified in BPC section 26200 and the proposed regulation, licensees may provide amended information regarding participants in the event after license issuance and prior to the beginning of the event.
15002.1, 15014	1522, 1523	Commenter asserts that the Department should implement a tiered fee structure for temporary cannabis events based either on the estimated number of attendees or the anticipated cannabis sales at the event.	No substantive amendments have been proposed to section 15014 related to the fees for a temporary cannabis event license. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15002.1, 15601	1531	Commenter asserts that section 15002.1 should be amended to clarify whether temporary cannabis events must be exclusively cannabis events or whether they can occur at other events such as farmer's markets.	The Department disagrees with this comment. The locations at which temporary cannabis events may be held are contained in BPC section 26200, which are included in the regulation.
15003	740, 2068, 2194	Commenters support the proposed amendments to section 15003	The Department agrees with this comment.
15003	2060	Commenters asserts that while there are welcome improvements to the definition of "owner," it should be further narrowed so as not to include vice presidents, general managers, or their	The Department disagrees with this comment. BPC section 26001 specifies that individuals who control, manage, and direct the

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		equivalent.	person holding the license must be disclosed as an owner. The inclusion of examples of such persons in the regulation is necessary to provide appropriate guidance regarding those individuals that must be disclosed as an owner.
15003	2050	Commenter asserts that parties whose ownership interests have not vested and/or whose ownership interests are subject of dispute, should not be listed or included and that the failure to vest or active contesting of ownership is sufficient demonstration of non-ownership.	The Department disagrees with this comment. Applicants are required to disclose all owners as defined by BPC section 26001. The Act does not limit owners to those whose interest has vested.
15003	1371	Commenter asserts that the Department should provide a definitive structure for the owners of a commercial cannabis business.	The Department disagrees with this comment. BPC section 26001 specifies who is considered an owner for a commercial cannabis business. The inclusion of examples of such persons in the regulation is necessary to provide appropriate guidance regarding those individuals that must be disclosed as an owner.
15003	2251	<p>Commenter asserts that this section contains an over-broad definition in that any person who has authority to sign on behalf of a cannabis business will be disclosed as an owner. Commenter suggests reducing the owner threshold to remove staff that have no control in the corporate operations.</p> <p>Commenter also asserts that each time the Department indicates that it will make a case-by-case</p>	The Department disagrees with this comment. BPC section 26001 specifies that individuals who control, manage, and direct the person holding the license must be disclosed as an owner. The inclusion of examples of such persons is necessary to provide appropriate guidance regarding those individuals that must be

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		determination of a matter, the analysts do not offer guidance beyond the regulations. If attorneys cannot understand how to comply with the rules and the analysts cannot interpret them as required, the Department needs to make a clarifying revision and should give specific guidance when asked and requested.	disclosed as an owner. A person who can execute a contract on behalf of the business reasonably control, manages, or directs the business.
15003(b)(2)(E)	1261, 1293	Commenter asserts that the owner of a commercial cannabis business should be limited to those with 20% or more equity, or officers of the corporation holding the license.	The Department disagrees with this comment. BPC section 26001 defines owner as a person with a 20% or more interest, the chief executive officer of a nonprofit or other entity, a member of the board of directors of a nonprofit, or an individual who will be participating in the direction, control, or management of the business. The Department cannot limit the definition of owner as suggested by the comment.
15004, 15311	678, 1450	Commenter asserts that additional amendments to section 15004 are necessary to provide clarity to licensees and ancillary service providers on the permissibility of contracts with non-plant touching ancillary services to facilitate the licensee's performance of commercial cannabis activity.	The Department disagrees with this comment. The Department believes it is clear when a person who has a contract with the business to provide services must be disclosed as an owner or financial interest holder.
15004	922	Commenter asserts that proposed section 15004(a)(3)(G) dissuades companies from helping small operators increase their brand reach through licensing and creates potential reporting issues. Commenter suggests that proposed subsection 15004(a)(3)(G) should be struck.	The Department disagrees with this comment. The proposed subsection does not require any person providing services to a licensee be disclosed as financial interest holder, rather those whose

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			compensation is tied to a share of the profits is considered to have a financial interest in the business. These individuals have a financial interest in the business and may have some influence over the business.
15004	2051	Commenter asserts that clarity is needed as to what individuals are considered financial interest holders, including a person that has entered into an intellectual property licensing agreement. Commenter suggests a grace period before this provision becomes effective so that any person entered into transactions for intellectual property can organize their businesses to receive payments.	The Department disagrees with this comment. The section provides clear guidance on the individuals and entities that must be disclosed as financial interest holders, including those that have entered into an intellectual property agreement. As the requirement is simply to disclose those who have arrangements with cannabis business rising to the level of a financial interest, the Department does not believe a grace period is necessary.
15004	2052	Commenter suggests adding that a person who sells their IP rights for a flat fee or on a branded packaging materials is also a financial interest holder of a commercial cannabis business.	The Department disagrees with this comment. Where no ongoing financial interest in the business, disclosure as a financial interest holder is not necessary.
15004	1433	Commenter supports the proposed amendments to subsection 15004(b)	The Department agrees with this comment.
15004	2252	Commenter asserts that it is impossible at the outset of a relationship to determine the percentage of profits or revenue that one tradeline will have on an entire business, i.e. white labeling and copacking. Commenter suggests creating a new license	The Department disagrees with this comment. The Act specifies that all owners and financial interest holders must be disclosed. Further all persons conducting

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		for brands and allow them to contract with whomever they want, charging them a fee commensurate with their revenues, similar to the Contract Brewery License.	commercial cannabis activity must be licensed.
15004(a)(3)(G)	2152	Commenter asserts that the Department should expressly state that a person that has entered into an intellectual property licensing agreement for less than 10% of the profits or for lump sums not based upon profits shall not be considered an “owner” for purposes of 15003. In the alternative, the Department should consider taking a more explicit approach to IP license arrangements.	The Department disagrees with this comment. The Department has provided specific requirements for who qualifies as an owners and financial interest holder. As those that fail to meet these requirements are not considered owners, the Department does not believe it is necessary to add the language requested by the commenter.
15004(a)(3)	741, 820, 1276, 1308, 2195	Commenters support the proposed amendments to subsection 15004(a)(3).	The Department agrees with this comment.
15004(a)(3)(G)	535, 604, 723, 821, 1160, 1679, 1778	Commenter asserts that the proposed regulations require disclosing parties engaged in IP or white-labeling agreements as financial interest holder. Commenter asserts that such arrangements are very common in the cannabis industry and that they rarely rise to the level of ownership. Commenter believes the proposed regulations will be burdensome to monitor and report for licensees. Commenter requests that the requirement be struck from 15004 or that the minimum threshold to qualify for disclosure be increased from 10% to 20%.	The Department disagrees with this comment. The Department believes that the proposed disclosure requirements concerning financial interest holders are appropriate to ensure sufficient reporting without overburdening licensees or the Department.
15004(b)(4)	354, 1372	Commenter asserts that the proposed language has been amended to change the criteria for financial interest holders of a	The Department disagrees with this comment. Proposed subsection (b)(4) was

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		cannabis business from persons who own 5% or more stock in a publicly traded or privately held company to 10%. Commenter asserts that this change will create greater difficulty in verifying conflicts of interest and will contribute to criminal cartel elements engaging in the legal cannabis industry.	amended to include individuals who hold shares of a privately held company; previously only shareholders of publicly traded companies were impacted. The Department added shareholders of privately held companies after determining that financial interest holders of privately held companies must comply with the same disclosure requirements as public companies. The Department has determined that the previous threshold of 5% of ownership resulted in numerous unnecessary disclosures of individuals who did not have a substantial ownership in the commercial cannabis business which required an additional burden on applicants and time-consuming review. The Department has determined that threshold of 10%, which is half of the 20% threshold for being considered an owner under the Act, is more appropriate when applied to financial interest holders to make this provision consistent with the other categories of persons that must be disclosed. The Department is not aware of any evidence indicating that raising the threshold from 5% to 10% will result in an increase of criminal

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			cartels engaging in the legal cannabis industry.
15004(g)	18	Commenter requests clarification regarding whether the term “share of profits” includes net or gross profits, or both. Commenter also requests clarification regarding whether the term “share of profits” refers to shares of an entire company or a particular product line.	The Department disagrees with the comment. The Department believes the current wording of this section is appropriate, as the provisions contained therein are intended to apply to the business as a whole capture and apply across all types of profits.
15004.1	2153	Commenter expresses support for the Department providing clarity on certain laboratory relationships.	The Department agrees with this comment.
15004.1	2285	Commenter asserts that much of this language does not seem legal as a laboratory cannot offer discounts to high volume customers, and the Department does not likely have the authority to tell people who they can lease their personal property to. Commenter asserts that an attorney needs to review this entire section.	The Department disagrees with this comment. The Department believes that the prohibitions contained in proposed section 15004.1 are appropriate to ensure the impartiality of testing laboratories. This section is necessary to implement that statutory requirement that laboratories be independent from other licensees. This is necessary to preserve the integrity and independence of testing laboratories. The Department believes that the provisions of this proposed section will increase quality testing by decreasing the ability of other licensees to influence testing results.
15004.1	1373	Commenter asserts that the Department should create an additional license type for research and development and for the creation of references testing	The Department disagrees with this comment. No substantive amendments have been proposed related to the

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		material.	types of testing laboratory licenses. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15004.1	1378	Commenter asserts that the Department should allow non-monetary exchange such as IP collateral as a portion of the payment made by a licensee to a testing laboratory.	The Department disagrees with this comment. The Department believes the proposed regulations related to the independence of testing laboratories are appropriate. This section is necessary to implement that statutory requirement that laboratories be independent from other licensees. This is necessary to preserve the integrity and independence of testing laboratories.
15004.1	8	Commenter supports the proposed regulation but requests additional changes. Commenter suggests an amendment that bans laboratories from accepting credit or net 30 terms for laboratory testing services. Commenter asserts that such an amendment is necessary to prevent other types of licensees from accumulating large bills for laboratory services and then threatening not to pay for batches that fail laboratory testing.	The Department disagrees with this comment. The Department believes that the prohibitions contained in proposed section 15004.1 are appropriate to ensure the impartiality of testing laboratories. This section is necessary to implement that statutory requirement that laboratories be independent from other licensees. This is necessary to preserve the integrity and independence of testing laboratories. The Department believes that

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			the provisions of this proposed section will increase quality testing by decreasing the ability of other licensees to influence testing results.
15004.1	1978, 1980	Commenter asserts that the overarching issue is data integrity, and laboratories whose test results may be influenced; this section stifles business, industry growth, and quality testing. Commenter suggests the Department investigate claims of poor data integrity and reevaluate (c), (d), (e) to be more specific.	The Department disagrees with this comment. The Department believes that the prohibitions contained in proposed section 15004.1 are appropriate to ensure the impartiality of testing laboratories. This section is necessary to implement that statutory requirement that laboratories be independent from other licensees. This is necessary to preserve the integrity and independence of testing laboratories. The Department believes that the provisions of this proposed section will increase quality testing by decreasing the ability of other licensees to influence testing results.
15004.1(c)	1850, 1979, 1980	<p>Commenter asserts that proposed regulations are too restrictive and subdivision (c) should be struck in its entirety.</p> <p>In some cases, commenter asserts subdivision (e) should be amended for testing laboratories to offer discounted services to equity businesses, medical cannabis licensees, and nonprofits, while also reporting it to the Department.</p> <p>In some cases, commenter asserts that as an alternative the</p>	The Department disagrees with this comment. The Department believes that the prohibitions contained in proposed section 15004.1 are appropriate to ensure the impartiality of testing laboratories. This section is necessary to implement that statutory requirement that laboratories be independent from other licensees. This is necessary to preserve the

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		Department may consider a grace period, or language that properly addresses what happens if a commercial cannabis license holder decides to buy property where a laboratory already exists.	integrity and independence of testing laboratories. The Department believes that the provisions of this proposed section will increase quality testing by decreasing the ability of other licensees to influence testing results.
15004.1(e)	1044	Commenter asserts that the Department does not have a right to dictate pricing to California laboratories.	The Department disagrees with this comment. The Department believes that the prohibitions contained in proposed section 15004.1 are appropriate to ensure the impartiality of testing laboratories. This section is necessary to implement that statutory requirement that laboratories be independent from other licensees. This is necessary to preserve the integrity and independence of testing laboratories. The proposed section does not dictate pricing but rather requires all licensees to be treated equally by the testing laboratories. The Department believes that the provisions of this proposed section will increase quality testing by decreasing the ability of other licensees to influence testing results.
15004.1(e)	1488	Commenter asserts that subsection 15004.1(e) should be amended to clarify that legitimate offers such as volume discounting are still allowed.	The Department disagrees with this comment. The section clearly states that discounts and other preferential treatment may

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			be offered if it is available to all licensees.
15004.1(e)	1980	Commenter asserts that this subsection is too general and overarching and creates incentive for off-the-books deals. The commenter suggests removing “discounted testing services” as this is not categorically preferential treatment and define preferential treatment.	The Department disagrees with this comment. The section clearly states that discounts and other preferential treatment may be offered if it is available to all licensees.
Personnel Prohibited from Holding Licenses	1946	Commenter asserts that legislators, legislative staff, and lobbyists should be included in list of individuals prohibited from owning a cannabis license, either directly or indirectly,	While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15006	178, 1140	Commenter suggests that the use of colored ink on the premises diagram should be allowed. Commenter asserts that allowing the use of color-coding will make the diagrams easier to interpret for reviewers and will speed the review process.	The Department agrees with this comment. The proposed language includes an amendment to strike the language in section 15006(f) which barred the used of any highlighting or colored print on a premises diagram.
15006	275, 302, 332	Commenters assert that section 15006 should be amended to clarify how shared facilities are denoted on the premises diagram. Commenter suggests that the following language should be added as subsection 15006(h): "If the proposed premises consists of only a portion of a property that will contain two or more licensed premises under common ownership, the diagram shall clearly show the designated entrances and walls under the exclusive control of the commercial cannabis business for the premises, as well as the designated entrances and walls	The Department agrees with this comment in part. The Department has already proposed amended language to clarify how information concerning shared or common facilities should be denoted on the premises diagram in subsections 15006(g), 15006(h)(5)(I), 15006(h)(5)(H), and 15006(i). The Department believes the proposed language is provides sufficient clarity.

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		for each additional premises. The diagram shall also show all proposed common or shared areas of the property. Such areas may include lobbies, bathrooms, hallways, breakrooms, storage rooms(including the harvest cannabis storage room and any limited access storage rooms), quarantine, loading or unloading of shipments, packaging and labeling, loading for deliveries, and processing.”	
15006	512, 581, 742, 822, 2196	Commenters support the proposed amendments to section 15006.	The Department agrees with this comment.
15006	1374	Commenter asserts that premises diagrams should be easily modifiable.	The Department agrees with this comment in part. The Department’s proposed regulations allow for a licensee to submit a modified premises diagram to the Department pursuant to section 15027. If the licensee wishes to make material or substantial changes, alterations or modifications to the premises a request must be submitted to the Department for approval. The Department believes the proposed regulations related to premises diagrams are appropriate.
15006	1379	Commenter asserts that the Department should accept basic sketches of irrigation systems.	The Department disagrees with this comment. The Department believes that the proposed requirements related to licensed premises are appropriate to provide the Department with the information necessary to determine compliance.

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15006(c)	142, 1081, 1115, 1338	Commenters request that section 15006(c) be amended to clarify that the term “storage” refers to product storage.	The Department believes it is clear from the context of the regulations that “Storage of Inventory” relates to the storage of commercial cannabis inventory.
15006(f)	511, 580, 1652, 1751, 1918, 2123	Commenters express support for the proposed changes to subsection 15006(f).	The Department agrees with this comment.
15006(f)	775	Commenter asserts that licensees may not have access to information about how other tenants on the same property are using their portions of the property. Commenter suggests that subsection 15006(f) should be amended to read as follows: “If the proposed premises consists of only a portion of a property, the diagram must be labeled indicating which part of the property is the proposed premises and for what purpose(s) the remaining property is used, based on publicly available information.”	The Department disagrees with this comment. The Department believes it is necessary for applicants to provide the information required by section 15006(f) to ensure compliance with the requirements for licensed premises. The Department also believes that it is reasonable for an applicant to inquire as the other uses on the same property where the premises is proposed to be located.
15006(g)	1320, 2215	Commenters assert that the word “walls” should be replaced with the phrase “physical barriers” in subsection 15006(g).	The Department disagrees with this comment. The Department believes that it is necessary to have walls identified to determine compliance with requirements related to walls within the licensed premises.
15006(h)(5)(B)	106, 1082, 1116, 1339	Commenters suggest that that word “not” be removed from 15006(h)(5)(B) to allow area(s) outside of the canopy where only immature plants are maintained to be shared among multiple licenses held by one licensee.	The Department disagrees with this comment. The Department believes that it is necessary to keep immature plants maintained by each licensed business

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			separate in order to facilitate effective oversight and enforcement of the Department's regulations related to the license issued for each distinct licensed premises.
15006(h)(5)(B), (D)-(E)	2182, 2323, 2383	<p>Commenters assert that there is no reason to prohibit a single operator with multiple licenses from sharing these spaces, for processing, drying, storage, nursery and process.</p> <p>Commenter also asserts that the Department should consider shared use-space licenses to be allowed for a micro-business that includes manufacturing.</p>	The Department disagrees with this comment. Licensees that wish to have combined space for multiple licenses may obtain nursery and processing licenses accordingly. Microbusinesses allow for multiple activities under one license on a single premises.
15006(h)(5)(D)-(E)	2145, 2230	Commenters request that multiple licensees be allowed to share designated processing and packaging areas in a shared secured limited access building, as the common use areas.	The Department disagrees with this comment. Licensees that wish to have combined processing space for multiple licenses may obtain a processor license.
15006(i)	2015	Commenter asserts that this section should be amended to enable single farmers with multiple cultivation licenses to share collective processing, immature plant, and storage space.	The Department disagrees with this comment. Licensees that wish to have combined space for multiple licenses may obtain nursery and processing licenses accordingly.
15006(k)	1622, 1987	Commenters assert that an applicant seeking a license to conduct manufacturing activities using a closed-loop extraction system may want to file their application before the closed loop extraction equipment has been purchased. Commenter suggests that subsection 15006(k) should be amended to allow applicants to provide the model number of the	The Department disagrees with this comment. The Department believes it is necessary for applicants seeking a license to conduct manufacturing activities using a closed-loop extraction system to display the system's serial number on the premises

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		<p>closed-loop extraction system they plan to use, rather than the serial number.</p> <p>In some cases, commenter suggests requiring the serial number to be provided before operation and not on the premises diagram.</p>	<p>diagram.</p>
15006(k)	1974, 2154, 2286	<p>Commenters assert that the requirement to put the closed-loop extraction equipment serial number on the premises diagram should be removed.</p> <p>In some cases, commenter asserts it is duplicative as the extraction location is already required and the serial number is no use to the Department and already required on the field certification letter.</p>	<p>The Department disagrees with this comment. The Department has determined this information is important to have and is most useful on the premises diagram.</p>
15010(b)	261, 288, 318, 439, 472, 852, 924, 1532, 1579	<p>Commenters assert that proposed subsection 15010(b)(2) would improperly allow the Department to reject CEQA determinations made by local jurisdictions in favor of its own conflicting determinations, and that the Department could do so outside the statutory limits prescribed by CEQA for the challenge of a determination. Commenter believes that this amendment would undermine local control.</p> <p>In some cases, commenter requests clarity regarding whether an applicant is permitted to avail themselves to the provisions of 15010(b)(2) at any time without having concluded the local CEQA process.</p> <p>In some cases, commenter asserts that subsection 15010(b) should be amended to conform to</p>	<p>The Department disagrees with this comment. The proposed amendments to subsection 15010(b) provides guidance as to the type of information the Department requires for its CEQA determination for the issuance of a state license. Although the Department may rely on CEQA determinations from a local jurisdiction for the same location where the state license will be issued, the Department still must independently determine exemption from, or compliance with, CEQA for the purposes of the state license.</p>

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		the description of acceptable CEQA compliance mechanisms in the Business and Professions Code by requiring licensees to provide the evidence referred to therein.	
15010	1945	Commenter asserts that equity applicants should be exempt from any charges related to CEQA supplemental review and procedures.	The Department disagrees with this comment. Consideration of whether or not to charge for CEQA review is determined by the level of review that the Department undertakes, if additional work is required to comply with CEQA.
15011	515, 584, 1656, 1755	Commenters express support for the proposed changes to section 15011. Commenter believes it would be helpful to have the new proposed forms posted separately from the proposed regulations.	The Department agrees in part with this comment. The Department believes that posting proposed forms along with the text of proposed regulations provides adequate notice.
15011(a)(1)	513, 582, 1554, 1654, 1753	Commenters express support for the proposed changes to subsection 15011(a)(1).	The Department agrees with this comment.
15011(a)(1)	143, 1086, 1120, 1343	Commenters suggest that the language of subsection 15011(a)(1) be modified to allow for a closure period for winterization. Commenter asserts that rural farms should be given the option to schedule winter shutdowns with the Department to avoid violations related to inaccessibility or limited communication.	The Department agrees with this comment. The Department has modified the proposed language to allow cultivators to provide, with their hours of operation, annual scheduled closure periods for their site.
15011(a)(1)	2019	Commenter asserts that this section requires licensees to specify daily operational hours, Monday through Friday, for a minimum of two hours per day, and then licensees are then expected to be present on the premises during these hours to accommodate no-notice or short-notice inspections. This is at odds	The Department agrees with this comment in part. The proposed regulation simply requires the cultivator to provide the hours of operation but does not require a specific number of hours. The Department has also modified the proposed

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		with the reality of owner-operators who operate seasonal farms in remote areas. In some cases, operators may live off farm, or may need to leave the farm. Many farms are also seasonal and inaccessible during winter months, and do not always employ separate staff. Commenter suggests removing these requirements, providing reasonable notice for inspections, and enabling cultivators to provide notice of seasonal inactivity, would better recognize the dynamics of cultivation in rural areas.	language to allow cultivators to provide, with their hours of operation, annual scheduled closure periods for their site. The Department provides notice of inspections when appropriate.
15011(a)(11)	514, 583, 1655, 1754	Commenters express support for the proposed changes to subsection 15011(a)(11).	The Department agrees with this comment.
15011(b)(6)-(10), (c), (d), (g)(2)	536, 605, 1680, 1779	Commenters assert that the proposed language gives the impression that the required documents do not need to exist until requested. Commenter suggests that the Department should provide clarity regarding whether the documents will ever be requested, when the DCC conducts inspections, whether documents must be in the form provided by the Department, and whether documents must be continuously maintained.	The Department disagrees with this comment. The Department believes it is clear that licensees are obligated to maintain required documentation even though it is only required to be submitted to the Department upon request. The Department believes it is necessary to conduct inspections without notice. The Department believes the regulations related to record retention are sufficient to clarify the Department's expectations.
15011(b)(12)	776	Commenter asserts that licensees may be required to submit confidential materials the Department including recipes, infusion methods, and other proprietary formulae. Commenter asserts that disclosure of such	The Department disagrees with this comment. The Department reviews claims of confidentiality on a case-by-case basis. The Department does not

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		<p>information under the California Public Records Act could constitute unauthorized disclosure where proprietary information has been licensed from a third party. Commenter suggests that subsection 15011(b)(12) should be amended to read as follows: “Any manufacturer submitting operating procedures and protocols to the Department pursuant to the Act and this Division may claim such information (hereinafter, ‘Proprietary Information’) as a trade secret or confidential by clearly identifying such information as ‘confidential’ on the document at the time of submission. Any claim of confidentiality by a manufacturer must be based on the manufacturer’s good faith belief that the information marked as confidential constitutes a trade secret as defined in Civil Code section 3426.1(d), or is otherwise exempt from public disclosure under the California Public Records Act in Government Code section 6250 et seq. The Department acknowledges that such Proprietary Information was developed at private expense and includes trade secrets, commercial or financial information, or both, that is subject to exemption per section 552(b)(4) of Title 5 of the United States Code, and Government Code sections 6254(k) and/or 6254.15 and/or 6255. The Department agrees to maintain in strictest confidence, using the same degree of care, but no less than a reasonable degree of care, as the Department uses to protect its own confidential information, all Proprietary Information provided</p>	<p>guarantee that all documentation claimed by a licensee to be confidential will be protected from disclosure under the California Public Records Act or other applicable law. However, the Department does take steps as appropriate to protect information the licensee believes is confidential.</p>

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		in any application for a license. The Department shall not publish or otherwise disclose Proprietary Information to others, or permit its use by others, and shall carefully restrict access to such Proprietary Information to those of its employees who require it in order for the Department to fulfill its licensing obligations under the Act. The Department will take reasonable measures to prevent unauthorized access to, copying, or downloading of all or part of any Proprietary Information stored electronically on a networked computer system or otherwise.”	
15011(b)(12)	2297	Commenter asserts operation procedures should exclude employees.	The Department disagrees with this comment. Procedures must account for employees where appropriate.
15011(b)(14)	440, 473	Commenter asserts that subsection 15011(b)(14) should be amended to require notification to the local fire code official for any manufacturing operation involving solvents, and provide in the application any required approval. Commenter suggests that the following text should be added as subsection 15011(b)(14) “An attestation that the local fire department has been notified of the proposed operation, if the operation will use a volatile solvent, a flammable liquid, or a solvent that creates an asphyxiant gas. If approval by the local fire code official is required by local ordinance, the applicant shall provide evidence of such approval, or an attestation that it is currently applying for such approval.”	The Department disagrees with this comment. The Department believes that the proposed language related to solvent use, permissible extractions, ethanol operations, and closed-loop system operations is sufficient to ensure compliance with all applicable statutory and regulatory provisions.
15011(d)(1)	1141	Commenter expresses support for	The Department agrees

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		the proposed amendments to subsection 15011(d)(1).	with this comment.
15011(h)	140, 1087, 1121, 1344	Commenters suggest that section 15011(h), which allows the Department to request additional information and documents from applicants for licensure, should be removed. Commenter asserts that this section puts too much power into the hands of reviewers.	The Department disagrees with this comment. The Department believes that implementation of proposed subsection 15011(h) is within the Department's authority and is necessary to ensure compliance.
15011(i)	537, 606, 1681, 1780	Commenters request clarity regarding whether documentation must be maintained in the format required for submission to the Department, or if documentation can be maintained in the company's typical business files and consolidated into the format requested by the Department upon request.	The Department disagrees with this comment. The Department believes it is clear that licensees are expected to maintain complete records and to be prepared to provide any materials requested by the Department at the time of the request.
15012	262, 289, 319	Commenter asserts that the Department should seek to identify all deficiencies during the initial review of applications and provide a single deficiency letter to applicant, and that after review of any supplemental information the Department should provide the applicant a final notice. Commenter suggests that the last two sentences of the subsection should be amended to read as follows: "The Department shall issue a single written notice to the applicant, by mail or through Department's licensing system, informing them that the application is incomplete and identifying the information missing from the application. If the Department identifies additional deficiencies based the supplemental submittal the Department shall issue a final	The Department disagrees with this comment. The Department's application process may require multiple rounds of submissions and review of information before the submitted materials are deemed acceptable. The Department believes it would not be appropriate to categorically issue a final determination after one round of supplemental information, as this could result in the abandonment of applications that might only require minor corrections to be approved or denial of applications that could be approved.

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		written notice to the applicant, by mail or through Department's licensing system, informing them that the application is incomplete and identifying the information missing from the application."	
15012(c)	538, 607	Commenter asserts that the proposed timeline for fee payment may impose undue and unnecessary hardship.	The Department disagrees with this comment. The Department believes that the proposed timeline is appropriate to allow applicants adequate time to complete their applications without unnecessarily delaying the licensure process.
15012(c)	141, 925, 1088, 1122, 1204, 1345, 1578	Commenter requests that the deadline for payment of license fees imposed at section 15012(c) be extended from 60 calendar days to 180 calendar days from the date of request for payment or one year from the date of request for payment. Commenter asserts that licenses can take up to six months to approve, which results in seasonal farmers having to pay for licenses they will not be able to use until the following year. Other commenter states the section does not account for deferments.	The Department disagrees with this comment. The Department believes that the proposed deadline of 60 calendar days allows sufficient time for applicants to submit payment of license fees.
Equity for Small Farmers	2449	Commenter asserts small farmers cannot get equity.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Statewide Equity Definition	2268	Commenter asserts a statewide definition for social equity should be adopted, determining eligibility for state cannabis fee waivers, and to advocate for the expansion of that definition to drive eligibility for a statewide social equity	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies

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		program.	for future rulemakings.
Fees for Equity / Legacy Operators	2455	Commenter suggests that there be more reasonable fees or fee waivers for equity and legacy operators.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Equity Cultivator Fee Waivers	2024	Commenter asserts that § 15014.1(b) limits fee waivers to one license per applicant. Commenter recommends allowing equity cultivators to apply for fee waivers for multiple cultivation licenses, so long as the cumulative size of the licenses qualifying for waivers are 10,000 square feet or less.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15014	2069	Commenter asserts that licensee fee structures should be reevaluated, and should not be tier based. Commenter suggests starting at a minimum fee paid at the beginning of the license renewal period, followed by an end of license period payment that is a percentage of actual revenue.	No substantive amendments have been proposed to the license fee structure. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15014	2314	Commenter asserts the Department should create an additional lower level fee structure or fee waivers to reward licensees that employ green farming techniques such as living/biodynamic soil, dry farming, and other regenerative and land reparative techniques. This could also apply to other license types for companies that use sustainable packaging.	No substantive amendments have been proposed to the license fee structure. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

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15014	2405, 2441, 2454, 2466	Commenters assert that current fees do not work for smaller events. Commenter recommends alcohol permits for events, which follows a cost per attendee.	No substantive amendments have been proposed to the fees for events contained in section 15014. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15014	2442	<p>Commenter asserts licenses should be cheaper and more affordable for cottage growers.</p> <p>In some cases, commenter asserts more fee design and waivers or subsidies for legacy operators.</p>	No substantive amendments have been proposed to the license fees for cultivators, rather they have been moved within the regulations. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15014-15015	1947	Commenter asserts that in addition to cultivators, equity applicants and licensees should be exempt from paying the fee for premises modifications.	The Department agrees with this comment in part. Cultivators are not currently subject to a premises modification fee and the Department has not proposed to impose one. The Department has received funding to provide license fee waivers to equity applicants and licensees and has implemented such program.
15014, 16201	926, 943, 1051, 1563, 1851	Commenters suggest that the Department should create additional nursery and processing license types and fee tiers based on size for nurseries and based on the existing tiered structure for	No substantive amendments have been proposed to the types if cultivation licenses and corresponding license fees. While not on the

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		other license types for processing licenses.	proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15014, 15022, 15023, 15024, 15024.1, 15027, 15038, 15307, 15601, 15705, 15726, 17126, 17305, 17801.5, 17903	1434, 1435, 1436, 1437, 1438, 1439, 1440, 1441, 1442, 1443, 1444, 1445, 1446, 1449, 1686, 1694, 1695, 1696, 1697, 1698, 1699, 1700, 1701, 1702, 1703, 1704, 1705, 1706, 1709, 1785, 1793, 1794, 1795, 1796, 1797, 1798, 1799, 1800, 1801, 1802,	Commenters assert that the Department should establish a timeframe for when licensees can expect responses from the Department for communications submitted pursuant to sections 15014, 15022, 15023, 15024, 15024.1, 15027, 15038, 15307, 15601, 15705, 15726, 17126, 17305, 17801.5, and 17903.	The Department disagrees with this comment. Response time is contingent upon the complexity, completeness, and volume of information provided to the Department; thus, mandating a specific time for response would not be appropriate.

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	1803, 1804, 1805, 1808, 1866, 2003		
15014, 15015, 15020	23, 24, 31, 32, 37, 38, 113, 539, 540, 541, 608, 609, 610, 1089, 1123, 1125, 1206, 1207, 1208, 1268, 1300, 1346, 1575, 1683, 1684, 1685, 1782, 1783, 1784, 1903	<p>Commenters assert that the proposed penalty fee of 50% of the licensing fee for underpayment of a licensing fee or renewal fee is exorbitant and unjust.</p> <p>In some cases, commenter requests an amendment to strike the penalty.</p> <p>In some cases, commenter requests an amendment to require the licensee to pay just the remainder of what is due upon renewal the following year.</p> <p>In some cases, commenter requests an amendment to reduce the penalty amount to 10% of the license renewal fee.</p> <p>In some cases, commenter asserts that the penalty amount should be returned to 50% of the application fee.</p> <p>In some cases, commenter asserts that the 30-day deadline for payment of the late fee is too short.</p> <p>In some cases, Commenter asserts that licensees should be given 90 days from exceeding the gross revenue threshold to pay the balance of the appropriate fee under subsection 15015(c).</p> <p>In some cases, commenter asserts that licensees should be allowed to recoup overpayments.</p>	<p>The Department disagrees with this comment. The Department proposes for the late fee, originally applicable to former Bureau of Cannabis Control licensees, to apply to all licensees for consistency. The Department believes that 50% of the license fee is appropriate because the fee is proportional to the size of the business; thus, treating small and large licensees equally. The Department has determined that 50% is significant enough of a penalty to discourage licensees from paying fees late or intentionally paying a lower license fee than is required for the size of their business. The Department believes that 30 days after the expiration date of the license is a reasonable amount of time for the licensee submit the renewal and pay a late fee. A licensee knows one year in advance when the license expires, but understanding that at times a licensee may unintentionally miss their renewal date, the Department has allowed a short window to remedy the situation without</p>

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			requiring a new application. As licensees are expected to reasonably assess the appropriate level of license fee based on information about their business, the Department believes that in most instances overpayment should not occur and that the balance of the appropriate fee should be paid upon discovery. The amount of fees are based on the funding needed to support the Department's operations.
15014(c)	2070	Commenter asserts that determining the amount of a licensing fee for a new business based on expected revenue is not fair to the business nor to the licensing agency, and suggests requiring an initial payment and end of the year payment.	No substantive amendments have been proposed to the fees based on gross revenue. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15014(e)(3)	777	Commenter asserts that the proposed language could cause cross-licensed businesses to pay double or triple license fees, based on counting the fair market value of the same products multiple times. Commenter recommends that subsection 15014(e)(3) should be amended to read as follows: "For a manufacturer licensee that is also licensed as a distributor or retailer, and that sells or transfers cannabis products manufactured on the licensed premises in a non-arm's length transaction, the annual gross sales or revenue for such transactions shall be based	No substantive amendments have been proposed to the license fees for contained in section 15014(e)(3), rather it has been moved within the regulations. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

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		on the product's fair market value if it were to be sold in an arm's length transaction at wholesale, minus the fair market value of products already included in such license fee calculation during the present year."	
15015(c)	2071	Commenter asserts that the current payment structure is unfair and sets up overpayments or underpayments, and recommends requiring an initial payment and end of the license period payment, provided with a capped fee.	The Department disagrees with this comment. No substantive amendments have been proposed to the license fee structure. As licensees are expected to reasonably assess the appropriate level of license fee based on information about their business, either revenue or size of cultivation canopy, the Department believes that in most instances overpayment and underpayment should not occur.
15017	1406, 1419	Commenter asserts that the list of things that the DCC will consider when evaluating prior convictions should be expanded to include other things that California courts typically look at when considering whether or not to expunge an offense from an individual's criminal record.	The Department disagrees with this comment. The Department believes that the proposed regulations regarding substantially related offenses and criteria for rehabilitation are sufficient and consistent with statutory provisions related to criminal convictions.
15018(f)	441, 474	Commenter asserts that subsection 15018(f) should be amended to clarify that prior revocation is grounds for denial of an application. Commenter suggests that 15018(f) should be amended to read as follows: "The applicant has been denied a license, permit, or other authorization to engage in	The Department disagrees with this comment. This requirement is contained in BPC section 26057. The Department does not believe that it is necessary to restate statutory provisions in this section.

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		commercial cannabis activity by a state or local licensing authority, or has had such a license, permit, or other authorization revoked.”	
15019	379, 263, 290, 320	<p>Commenter asserts that the provision contained in the MAUCRSA which requires the Bureau of Cannabis Control to consider if an excessive concentration exists in the area in which the licensee will operate when determining whether to grant, renew, or deny a retail or microbusiness license should be included in the Department’s regulations.</p> <p>Other commenters assert that section 15019 is missing from the text, and that the regulations should address what was done with this language so that the change can be subject to public comment.</p>	The Department disagrees with this comment. Section 15019 remains in effect and was not included in this proposed rulemaking because no changes were proposed to the section.
15020	2277	Commenter asserts that licensees should be allowed to change the size/type of their license at renewal.	The Department disagrees with this comment. Different license types have different requirements, thus, a new application is required to change license types. When appropriate, size modifications may be made through the premises modifications provisions within the proposed regulatory action.
15020	107, 1090, 1124, 1347	Commenters assert that many licensees believe the expiration date on their license is their deadline to renew, rather than the day before. Commenter suggests that licensees should be allowed to renew their licenses on the expiration date without a penalty and that the next business day	The Department disagrees with this comment. The Department believes it is made sufficiently clear in section 15020(a) that a completed license renewal form and annual license fee must be

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		should be treated as the expiration date.	received by the Department no later than 5:00 p.m. Pacific Time on the last business day before the expiration of the license if the renewal form is submitted to the Department at its office(s), or no later than 11:59 p.m. on the last business day before the expiration of the license if the renewal form is submitted to the Department through its electronic licensing system.
15020	1905, 2327	Commenters assert that energy tracking even for the smallest and lowest energy intensive operations, adding to overhead and administrative expenses for these small farmers, with no recognizable benefit.	No substantive amendments have been proposed to the requirements in section 15020(e), rather it has been moved within the regulations from original section 16203. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15020(c)	108, 927, 1091, 1348	Commenter asserts that many cultivators do not engage in daily transactions and consequently do not notice their licenses have expired until a need for them arises. Commenter asserts that the deadline to submit a license renewal form should be extended from 30 calendar days after the license expires to 60 calendar days after the license expires.	The Department disagrees with this comment. The Department believes that 30 days after the expiration date of the license is a reasonable amount of time for the licensee submit the renewal and pay a late fee. A licensee knows one year in advance when the license expires, but understanding that at times a licensee may unintentionally miss their

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			renewal date, the Department has allowed a short window to remedy the situation without requiring a new application.
15020(c)	2278	<p>Commenter asserts that late fees for renewals should be 1/2 of the application fee, not 1/2 of the annual license fee.</p> <p>In some cases, commenter asserts that for cultivators this has skyrocketed the fee, from \$644 to \$5,900.</p>	<p>The Department disagrees with this comment. The Department proposes for the late fee, originally applicable to former Bureau of Cannabis Control licensees, to apply to all licensees for consistency. The Department believes that 50% of the license fee is appropriate because the fee is proportional to the size of the business; thus, treating small and large licensees equally. The Department has determined that 50% is significant enough of a penalty to discourage licensees from paying fees late or intentionally paying a lower license fee than is required for the size of their business.</p>
15020(c)	2155	<p>Commenter asserts that this structure penalizes the less business-savvy licensees who may not fully understand the repercussions of late filings or be able to afford a compliance officer or attorney, and this provision will serve as another barrier to entry or maintaining a place in the market. Commenter suggests deleting the new proposed language.</p>	<p>The Department disagrees with this comment. Licensees are required to comply with the laws and regulations. The expiration date is clearly provided to licensees upon issuance of a license, thus there should be no surprise to licensees regarding their renewal date. Additionally, the Department sends multiple reminders.</p>
15020(e)	1092,	Commenter asserts that	The Department

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	1126, 1349	applicability of the requirements under subsection 15020(e) should be limited to Indoor or Mixed-Light Tier 2 licensees.	disagrees with this comment. The Department proposes for the late fee, originally applicable to former Bureau of Cannabis Control licensees, to apply to all licensees for consistency.
15020(e)	1205, 1967	<p>Commenters assert that the implementation of subsection 15020(e) should be pushed to January 1, 2023.</p> <p>In some cases, commenter suggests simultaneously develop guidance to enable compliance as follows: calculation methods, resources for determining whether a local utility provider meets the average electricity GHG emissions intensity, and how to purchase the correct amount of carbon offsets if necessary.</p>	No substantive amendments have been proposed to the requirements in section 15020(e), rather it has been moved within the regulations from original section 16203(g). While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings. The Department notes commenter's suggestion related to the guidance requested.
15020(e)	1597	Commenter suggests that the Department should clarify how subsection 15020(e) applies to situations where power is shared between a commercial cannabis business and other uses.	The Department disagrees with this comment. The regulations related to power are specific to the licensed premises.
15020(e)	48	Commenter asserts that there is a lack of subsidies or resources to help cannabis operators engage in energy conservation efforts. Commenter suggests that the state should provide more resources to cannabis operators to aid with the procurement of costly equipment needed to	No substantive amendments have been proposed to the requirements in section 15020(e), rather it has been moved within the regulations from original section 16203. While not on the proposed action

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		facilitate energy conservation.	the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15020(e)	2253	Commenter asserts they do not have a recommendation but wishes the Department to consider in the next iteration of regulations, how it is unfair for applicants to be held to standards and timelines when the Department is delaying the process. Moreover, it is unclear what the point is of the energy reporting when the State is not incentivizing licensees to be more environmentally conscious and reduce their carbon footprint.	No substantive amendments have been proposed to the requirements in section 15020(e), rather it has been moved within the regulations from original section 16203. Department response times are contingent upon the complexity, completeness, and volume of information provided to the Department. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15021(a)	1093, 1127, 1350	Commenters assert that the Department should not be allowed to deny applications for new licenses or renewals based on any ground other than those specifically listed in subsection 15021, and that the phrase "additional grounds including" should be struck from the subsection.	The Department disagrees with this comment. The provisions of BPC section 26057 contains grounds for denial of a license. Legislative action would be required to change these. Therefore, the additional grounds language in the regulatory section is appropriately to inform applicants that these are in addition to the statutory provisions.
15022	542, 611, 1209,	Commenters assert that language has been eliminated from the	The Department disagrees with this

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	1687, 1786	proposed regulations which addressed the process for voluntarily cancelling or surrendering a license. Commenter suggests that language should be reintroduced to provide the process to voluntarily close a cannabis business.	comment. The Department believes that the proposed regulations are sufficient to inform licensees how to wind down a cannabis business.
15023	502, 1852	<p>Commenters assert that, if ownership remains the same, licensees who are individuals/sole proprietors should be allowed to change how they hold title to their license. Commenter recommends that a provision be added to subsection 15023(e) permitting individuals/sole proprietors to change the name under which their ownership is held from an individual to a limited liability entity, provided that all ownership remains the same and notice is timely given to Department.</p> <p>In some cases, commenter suggests amending language to specify that a change in ownership does not occur when a licensee requests to change entity type from a sole proprietor to a single-member entity owned by that sole proprietor.</p>	The Department agrees in part with this comment. Conversions in accordance with the California Corporation Code are permitted as the person holding the license does not change. The regulations already provide a pathway for licensees to disclose this change, thus additional changes are not necessary at this time.
15023	543, 612, 1991, 2298	<p>Commenters assert that section 15023 should be amended to provide a specific length of time in which the Department will acknowledge the submission of materials.</p> <p>In some cases, commenter suggest adding subsection (j) for the Department to review and respond within 30-60 calendar days; if the Department receives incomplete materials it will approve or request additional documents within 30 calendar</p>	The Department disagrees with this comment. Response time is contingent upon the complexity, completeness, and volume of information provided to the Department; thus, mandating a specific time for response would not be appropriate.

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		days.	
15023	1948	Commenter expresses support for requirements to mandate licensees notify the Department of changes related to labor peace agreements.	The Department agrees with this comment.
15023	2030	Commenter asserts that there is no consistency, timing, or oversight of the rules, including of this section, where in changes of ownership within the 14 calendar days, some analysts respond within a timely manner, and some analysts ignore requests. Commenter suggests consistency among different agents and even an Office of Determinations to establish a set of best practices for analysts for commonly arising questions and scenarios.	The Department disagrees with this comment. Response time is contingent upon the complexity, completeness, and volume of information provided to the Department; thus, mandating a specific time for response would not be appropriate.
15023	2254	Commenter asserts there is absolutely no uniform process, procedure or evaluation that takes place under this section. The industry is begging for transparency and clarity and wants to disclose the true facts of each transaction. A process and procedure needs to be developed by the Department and conveyed through regulation or guidance applicable to all license holders. A form would likely serve as the best way to convey this sort of transfer to the DCC.	The Department disagrees with this comment in part. Response time is contingent upon the complexity, completeness, and volume of information provided to the Department; thus, mandating a specific time for response would not be appropriate. The Department has a form to be submitted by licensees related to business modifications pursuant to this section and has proposed an updated form in this action.
15023(b)	1380	Commenter asserts that all requirements for labor peace agreements violate federal law and should be struck.	The Department disagrees with this comment. The Department believes that the proposed regulations related to labor peace

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			agreements are appropriate and consistent with the requirements in the Act.
15023(c)	1210	Commenter asserts that the transfer prohibition in subsection 15023(c) should be struck.	The Department disagrees with this comment. The Department believes that continuing to prohibit the transfer of licenses is appropriate as the Department is required to determine suitability of the persons who own licenses. The Department has provisions that allow the license to continue when some of the owners remain involved with the business. The Department believes the proposed regulation related to transferability of licenses is appropriate.
15023(c)	2292	Commenter asserts that ownership changes take too long, leaving owners in limbo, and suggests a 30-day review for the Department.	The Department disagrees with this comment. Response time is contingent upon the complexity, completeness, and volume of information provided to the Department; thus, mandating a specific time for response would not be appropriate.
15023(c)(1)	2034	Commenter asserts that this subsection captures a subset of businesses that were formed in a rush, .e.g. as a sole proprietor or partnership, to obtain a license and should now have the opportunity to remedy this source of personal liability. Commenter suggests exempting businesses from the new license requirement that do not undergo a change in beneficial ownership.	The Department agrees with this comment in part. Licenses are issued to a particular person. If that person lawfully converts their entity in accordance with the California Corporation Code, then the same person still holds the license and such a conversion is permitted.

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15023(c)(1)	545, 614, 1665	Commenters suggest that subsection 15023(c)(1) should be amended to replace “his or her” with gender-neutral terminology.	The Department agrees with this comment and has proposed additional non-substantive edits to remove gender identifying language.
15023(i)	544, 613	Commenters assert that the web portal, which subsection 15023(i) instructs licensees to use, has yet to work for making contact information changes for any of the licensees commenter has assisted.	The Department disagrees with this comment. The Department is continuously working on updates to the licensing system.
15024.1	1211	Commenter asserts that the language at proposed subsection 15023(a) related to SOP changes should be moved to proposed subsection 15024.1.	The Department disagrees with this comment. The Department believes that the organization of the proposed regulations is appropriate.
15024.1(b)(1)	1094, 1128, 1351	Commenters assert that the deadline for a licensed microbusiness or distributor to submit a written request to the Department under subsection 15024.1(b)(1) should be extended from within 14 to calendar days of the termination of the licensee’s license, to within 30 calendar days of the termination.	No substantive amendments have been proposed to the 14-calendar day requirement in section 15024.1. While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15025(a)(2)	264, 291, 321	Commenter asserts that proposed subsection 15025(a) contains an incorrect reference to section 15404, which cannot be found in the proposed text. Commenter asserts that there are additional incorrect references to section 15404 in sections 15402, 15415, 15602, and in the Disciplinary Guidelines.	Section 15404 is still effective and is not included in this package because no changes to section 15404 have been made in this proposed action.
15025(a)(2)	1853, 1999, 2074	Commenter asserts that subdivision (a)(2) should be struck in its entirety, as the prohibition against cannabis being sold out of	The Department disagrees with this comment. The Department has provided

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		<p>a drive-through window is neither required by statute nor supported by data.</p> <p>In some cases, commenter suggests allowing a method in regulations for cannabis drive through access at retail, subject to certain restrictions.</p> <p>In some cases, commenter suggests striking language prohibiting drive-in or drive-through operations.</p>	<p>for curbside pickup which the Department has found to be safe and secure during the Covid-19 pandemic. The Department has determined that allowing this increased access is appropriate while still preserving the safety and security of a licensed retail premise.</p>
15025, 15402	61, 814, 1144, 1489, 1490, 1640, 1641, 1586, 1740	<p>Commenter supports the addition of permanent curbside delivery.</p>	<p>The Department agrees with this comment.</p>
15025, 17300	356	<p>Commenter suggests that storefront retailers should be required to display a warning sign behind the main dispensing counter advising customers of the potential hazards associated with cannabis use and legal risk to immigrants. Commenter suggests that the sign should read as follows: “i) Do Not Use if Pregnant or Breastfeeding. Substances in cannabis are transferred from the mother to the child and may harm your baby’s health, including causing low birth weight. ii) Cannabis use may contribute to mental health problems, including psychotic disorders such as schizophrenia. Risk is greatest for frequent users and when using products with high THC levels. iii) Cannabis Use can cause increased thoughts of suicide and suicide attempts. Risk is greatest for frequent users. iv) Driving while high is a DUI. Cannabis use increases your risk of motor</p>	<p>The Department disagrees with this comment. The Department believes that the labeling requirements found in the Act and in the proposed regulations are sufficient to effectively warn consumers of the known risks associated with cannabis consumption.</p>

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		<p>vehicle crashes.” Commenter also suggest that storefront retailers should be required to display a warning sign behind the main dispensing counter containing at least one of the following disclaimers in English and Spanish: “Sign 1: ATTENTION IMMIGRANTS: Even in California, using or possessing cannabis or working in the cannabis industry is legally dangerous for any noncitizen. This includes lawful permanent residents, undocumented persons, students, and others. Cannabis is illegal under federal law, and federal law controls immigration. If you need to take medical cannabis, see an immigration attorney for advice. The State of California provides this information as a service to immigrant members of our community. Sign 2: INDIVIDUALS ON PROBATION OR PAROLE: If you are prohibited from using drugs as a condition of your probation or parole, then possession or use of cannabis could violate your probation or parole. Warning from the State of California. Sign 3: “ARE YOU BETWEEN 18-20 YEARS OF AGE? If you are caught possessing cannabis without medical authorization, you could face legal consequences. Warning from the State of California.” Commenter suggests that the Department create a brochure including the steps for safe cannabis use, and that every retail business should be required to provide the brochure to new customers. Commenter also suggests that the following language be added to section 17300: “It shall a violation of this</p>	

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		[Section] for any Cannabis Retailer to offer for sale: (a) More product variations (Stock Keeping Units or SKUs) of orally consumed Cannabis Products, including Edible Cannabis Products, that contain 10mg THC per serving than the number of product variations that contain 5mg THC or less per serving; (b) More types of Dried Cannabis that contains greater than 15% THC than it does types of Dried Cannabis that contains less than 15% THC.”	
15025(c)	1491	Commenter asserts that the requirement at subsection 15025(c) that any licensed premises retailer or microbusiness authorized to conduct retail sales that is adjacent to another premises engaging in manufacturing, or cultivation, or distribution must be separated from those premises by solid walls that extend from floor to ceiling should be limited to storefront areas.	The Department disagrees with this comment. The Department believes that the proposed requirements related to retailers and microbusinesses authorized to engage in retail are appropriate.
15025(c)	2150	Commenter asserts that requiring areas to be separated by solid walls that extend from the floor to the ceiling is not supported by the enabling legislation and authority cited, and involves construction rules which many current licensees have not previously followed.	The Department disagrees with this comment. The Department requires solid walls separate a licensed retailer from other licensed premises to ensure the safety and security of premises that are not open to the public. As retailers may be open to the public and sale cannabis goods that have undergone quality assurance review and laboratory testing, separation from other premises that are not open to the public and where activities that may contaminate cannabis

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			goods are occurring, should be separated by solid walls.
15025(c)	2299	Commenter asserts that retail separation from other license types is still not clear enough. Commenter suggests adding words " ... and any doors leading FROM THE RETAIL AREA to the cultivation ... "	The Department disagrees with this comment. The section clearly indicates that the premises need to be separated by solid walls and doors must remain closed.
15025(e)	265, 292, 322, 1853	Commenter asserts that drive-in or drive-through windows for cannabis business should not be artificially restricted through regulation. Commenter suggests that the Department should defer to local authority regarding whether to allow drive-in or drive-through windows.	The Department disagrees with this comment. No substantive changes have been proposed to the restriction on drive-in and drive-through windows and believes they are appropriate. However, the Department has proposed to allow for curbside pickup which the Department has found to be safe and secure during the Covid-19 pandemic. The Department has determined that allowing this increased access is appropriate while still preserving the safety and security of a licensed retail premises.
15027	644, 1914, 2119	Commenters support the proposed changes to section 15027. Commenter asserts that the changes will streamline the ability for non-cultivation licensees to make necessary, minor modifications to their premises in a timely manner, while ensuring the Department receives proper notification.	The Department agrees with this comment.
15027	2338	Commenter asserts that small farms are working farms and require the ability to make premises and operational	The Department agrees in part with this comment. The Act mandates licensees receive prior

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		changes and have flexibility as working farms.	approval from the Department before making a change or alteration to the premises that materially or substantially alters the premises, usage of the premises, or the business operations conducted therein. In order to streamline this process, the Department has identified those changes that require prior approval. For all other changes, the Department has provided a process for notification to the Department.
15027(a) and (h)	1992, 2300, 2301	<p>Commenters assert there is a lack of clarity in this section and that a “review time frame” is needed for the Department to pre-approve premises modifications. Commenter suggests that if a premises modification requires pre-approval, ideally the Department would commit to a review within 5 business days.</p> <p>In some cases, commenter asserts that submitting Form 27 via email is not working and the Department needs a proper licensing system so licensees can see status of requests. Commenter asserts Form 27 is unnecessary and the Department should use technology modern.</p>	The Department disagrees with this comment. The Department disagrees with this comment in part. Response time is contingent upon the complexity, completeness, and volume of information provided to the Department; thus, mandating a specific time for response would not be appropriate. The Department has a form to be submitted by licensees related to business modifications pursuant to this section and has proposed an updated form in this action.
15027(a)	350, 456, 701, 778, 928, 1057, 1095, 1129, 1352,	Commenters oppose the requirement related to prior written approval for modification of premises or operations contained in proposed subsection 15027(a)	The Department disagrees with this comment. The Department believes that the requirement for prior

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	1473, 1510, 1533, 1543, 1854, 1906, 2018, 2146, 2231, 2272, 2280, 2328, 2409, 2415, 2437	<p>In some cases, commenter asserts that licensees should not be required to obtain prior approval to change, alter, or modify a premises or operation.</p> <p>In some cases, commenter suggests that the Department should review plans to change alter or modify a premises or operation simultaneously with the licensee's implementation of the plan, and that the corrective action process can be used as a failsafe if non-complaint plans are implemented.</p> <p>In some cases, asserts that licensees should be required to provide the Department with notice of plans to change, alter, or modify a premises, and that approval should be assumed after 10 days from submittal of the notice.</p> <p>In some cases, commenter asserts that the approval process takes up to six months. Commenter suggests that the Department should streamline the process so that operators do not lose the opportunity to grow because they are waiting for approval to update their premises diagram.</p> <p>In some cases, commenter asserts that subsection (b)(4) should be removed in its entirety; that all request should be made online, and the Department should provide an exemption to</p>	<p>approvals under proposed section 15027(a) is necessary to protect the health and safety of the public. The Act mandates licensees receive prior approval from the Department before making a change or alteration to the premises that materially or substantially alters the premises, usage of the premises, or the business operations conducted therein. In order to streamline this process, the Department has identified those changes that require prior approval. For all other changes, the Department has provided a process for notification to the Department. Response time is contingent upon the complexity, completeness, and volume of information provided to the Department; thus, mandating a specific time for response would not be appropriate.</p>

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		<p>the 3-day notification period for changes that do not require prior approval.</p> <p>In some cases, commenter asserts that cultivators should not need pre-approval as farms are dynamic systems.</p>	
15027(h)	1867	<p>Commenter asserts that the language is too broad and implies the \$500 physical modification of premises fee would be incurred even for immaterial changes, and the 3 business day notification is too restrictive. Commenter suggests the option to upload a premises map with immaterial changes to the licensing system with annual renewals, and to change notification window to 14 days to match other non-approval notifications and remove \$500 fee for minor changes.</p>	<p>The Department disagrees with this comment. The Department believes that the requirement for prior approvals under proposed section 15027(a) is necessary to protect the health and safety of the public. The Act mandates licensees receive prior approval from the Department before making a change or alteration to the premises that materially or substantially alters the premises, usage of the premises, or the business operations conducted therein. In order to streamline this process, the Department has identified those changes that require prior approval. For all other changes, the Department has provided a process for notification to the Department.</p>
15034	63	<p>Commenter asserts that the increase in significant discrepancy in inventory from 3% to 5% may result in an increase in unaccounted products that may end up in the unlicensed market.</p>	<p>The Department disagrees with this comment. The five percent requirement was previously contained in the CDPH regulations and has been maintained as a reasonable threshold to alert the Department to the difference but not</p>

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			require reporting when normal operations may result in a difference in inventory calculations.
15034	167	Commenter expresses confusion regarding whether the 5 percent discrepancy referenced in section 15034 concerns grams, pounds, or the dollar value of inventory.	The Department disagrees with this comment. The Department believes it is clear from the proposed language that section 15034 refers to a physical description of the inventory.
15034	743, 823, 1142, 1277, 1309, 1492, 1642, 1741	Commenter supports the proposed amendments to section 15034.	The Department agrees with this comment.
15035(b)	1096, 1130, 1353, 1901, 2322	<p>Commenters assert that licensees should not be required to notify the Department of civil penalties or judgments rendered against owners of licensed businesses in the individual capacity.</p> <p>In some cases, commenters assert that personal court cases such as divorce proceedings, should not be the business of the Department.</p>	<p>The Department disagrees with this comment. It is necessary to align the language of the subsection with the intent of this subsection which is to require the licensee to notify the Department if any person who has control of the licensed operations has had a civil judgement entered against them. The Department is required to ensure that owners may continue to hold licenses. Licensees are not required to hold their licenses in the individual name of the owner. Licensees may have a license held under one name at the local level and another name at the state. Thus, this provision is necessary to ensure compliance.</p>
15036	1381	Commenter asserts that licensees	The Department

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		should only be required to notify local law enforcement pursuant to section 15036 when practicable.	disagrees with this comment. The Department believes that the proposed regulations related to notification of theft, loss, and criminal activity are appropriate and necessary for public safety.
15037	266, 293, 323	Commenters assert that many cultivators have expressed concern over the requirement that Metrc tags be saved for seven years. Commenter believes that Metrc tags are wasteful and take up a lot of room. Commenter suggests that the Department should exempt METRC tags from the retainment requirements contained in section 15037.	The Department agrees with this comment. Metrc tags are now required to be disposed of when they are no longer being used. 26160
15037	1153, 1382	Commenters assert that seven years is an unreasonable amount of time for licensees to be required to keep records. Commenter suggest that the requirement should be reduced to five years.	The Department disagrees with this comment. BPC section requires all records identified by the Department related to commercial cannabis activity for seven years. The Department believes that the proposed requirements related to general records keeping are appropriate.
15037	1599	Commenter asserts that records should not be required to be stored in a secured area so long as they are legible and can be made adequately available upon request.	The Department disagrees with this comment. The Department believes that the proposed requirements related to record retention are appropriate to preserve the integrity of the records.
15037(a)(4)	779	Commenter asserts that language should be added to allow licensees to mark contracts as confidential trade secrets so that	The Department disagrees with this comment. The Department reviews

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		<p>the Department will have guidance on which information is or should be exempt from disclosure under the California Public Records Act. Commenter suggests that subsection 15037(a)(4) should be amended to read as follows: "Contracts regarding commercial cannabis activity. Any licensee making such documents available to the Department pursuant to the Act and this Division may claim such information (hereinafter, 'Proprietary Information') as a trade secret or confidential by clearly identifying such information as 'confidential' on the document at the time of allowing the Department to review it. Any claim of confidentiality by a licensee must be based on the licensee's good faith belief that the information marked as confidential constitutes a trade secret (as defined in Civil Code section 3426.1(d)), or is otherwise exempt from public disclosure under the California Public Records Act in Government Code section 6250 et seq. The Department acknowledges that such Proprietary Information was developed at private expense and includes trade secrets, commercial or financial information, or both, that is subject to exemption per section 552(b)(4) of Title 5 of the United States Code, and Government Code sections 6254(k) and/or 6254.15 and/or 6255. The Department agrees to maintain in strictest confidence, using the same degree of care, but no less than a reasonable degree of care, as the Department uses to protect its own confidential information, all</p>	<p>claims of confidentiality on a case-by-case basis. The Department does not guarantee that all documentation claimed by a licensee to be confidential will be protected from disclosure under the California Public Records Act or other applicable law. However, the Department does take steps as appropriate to protect information the licensee believes is confidential.</p>

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		Proprietary Information provided in any application for a license. The Department shall not publish or otherwise disclose Proprietary Information to others, or permit its use by others, and shall carefully restrict access to such Proprietary Information to those of its employees who require it in order for the Department to fulfill its licensing obligations under the Act. The Department will take reasonable measures to prevent unauthorized access to, copying, or downloading of all or part of any Proprietary Information stored electronically on a networked computer system or otherwise."	
15037(b)	2075	Commenter expresses support for this amendment and believes it is beneficial for both the licensee and the environment.	The Department agrees with this comment.
15037(b)	1493	Commenter asserts that the Department should clarify whether subsection 15037(b) means that records need to be maintained in both hard-copy and electronic format or that records can be maintained and provided to the Department in either format at the licensee's discretion.	The Department disagrees with this comment. The Department believes that it is clear from the language of proposed subsection 15037(b) that licensees can produce records for the Department in either hard-copy or electronic form.
15040	358	<p>Commenter asserts that the proposed regulations do not include language supporting the restriction created by Proposition 64 on advertising within 1000 feet of a daycare center, k-12 school, playground or youth center. Commenter suggests that this restriction should be included in the proposed regulations.</p> <p>Commenter suggests that a prominent rotating warning label should be required on all cannabis</p>	The Department disagrees with this comment. The Department does not believe it is necessary to restate statutory provisions in this section. The Department believes that the labeling and advertising requirements found in the Act and in the proposed regulations are sufficient to protect consumer safety.

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		<p>advertising, which commenter asserts should follow the exact specifications given in SB 1097.</p> <p>Commenter suggests that advertising materials should be prohibited from depicting cannabis consumption, encouraging the use of cannabis for intoxicating effects, depicting actions that could be considered risky while under the influence of cannabis, being placed on public property or transportation, or using imagery that is attractive to children.</p> <p>Commenter suggests that adult use cannabis retailers should be prohibited from using any words or phrases in the names of their businesses that imply health or therapeutic benefit, such as "health," "wellness," or "clinic."</p>	<p>Additional considerations for responsible use are provided on the Department's website. If the legislature determines it is necessary to implement the labeling requirements proposed in SB 1097, the Department will adopt additional regulations as directed. The Department does not believe it is necessary to prohibit licensed cannabis retailers from using certain terms related to health in their business names, as they are prevented from making false or misleading health statements.</p>
15040	963	<p>Commenter asserts that section 15040 contains prohibitions that are subjective and could inhibit a licensee's ability create unique, compliant, adult-oriented advertising and marketing materials.</p>	<p>The Department disagrees with this comment. The Department believes the requirements under proposed section 15040 are appropriate and necessary to protect the public.</p>
15040(a)	359, 1908	<p>Commenters assert that the threshold of 71.6% in subsection 15040(a)(1) is inadequate and should be increased to at least 85%.</p>	<p>The Department disagrees with this comment. The 71.6% threshold is contained in BPC section 26151. To change this requirement would require legislative action.</p>
15040(a)(3)	360, 1909	<p>Commenter asserts that the proposed language concerning what is considered "attractive to children" has been amended to be more subjective, and will subsequently lead to advertising,</p>	<p>The Department disagrees with this comment. The previous language contained a closed list of items that could not be used in</p>

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		<p>marketing, packaging and labeling that is attractive to children. Commenter suggests the following language: “‘Attractive to Youth’ refers to products, packaging or labeling or advertising that a reasonable person would understand to encourage persons under age 21 to initiate Cannabis consumption or otherwise to consume (accidentally or purposely) cannabis or Cannabis Products. It includes, without limitation:</p> <p>(a) Products that (1) resemble a non-Cannabis consumer product, including, but without limitation, candy or baked goods that are typically consumed by, or marketed to, children or youth; or</p> <p>(2) occur in the shape of a cartoon, human or any other animate creature including, without limitation, an insect, toy, fruit, vehicle, or robot.</p> <p>(b) Packaging or labeling that (1) resembles packaging or labeling of a non-cannabis consumer product of a type that is typically consumed by, or marketed to, children or youth; (2) contains images depicting a cartoon, human or any other animate creature including, without limitation, an insect, toy, fruit, vehicle, or robot, images of a candy or a baked good or other food resembling a non-cannabis consumer product of a type that is typically consumed by, or marketed to, children or youth, (3) contains text referring to a cartoon, or any other animate creature including, without</p>	<p>marketing. The Department found it was necessary to consolidate the list previously found at section 15040 with the labeling restrictions previously contained in subsection 17408(b) and to add the phrase “including, but not limited to” to ensure that the language encompasses any additional images that are attractive to children not specifically listed in former subsection 15040(a)(3). The Department believes the proposed language is sufficient to safeguard the protection of minors as required by the Act.</p>

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		<p>limitation, an insect, toy, fruit, vehicle or robot, (4) contains any images, characters, or phrases that closely resemble images, characters, or phrases commonly used to advertise to children; (5) describes any characterizing flavor; except that, for edible products only, terms such as 'lemon-flavored' describing a characterizing flavor may be used in font sizes that do not exceed that of the largest word in the 'Warning' on the packages; (6) uses actors or human characters who appear to be, or are, under age 21; or (7) or includes celebrities a reasonable person would understand to appeal to youth.</p> <p>(c) Advertising that (1) mimics advertising of a non-cannabis consumer product of a type that is typically consumed by, or marketed to children or youth; (2) depicts a cartoon, or any non-human animate creature including, without limitation, an insect, toy, fruit, vehicle or robot, (3) depicts or describes candy, baked goods, or other food typically marketed to youth; (4) uses actors or human characters who appear to be, or are, under age 21; (5) or includes celebrities a reasonable person would understand to who appeal to youth; (6) uses actors or human characters who appear to be, or are, under age 21; or (7) or includes celebrities a reasonable person would understand to appeal to youth."</p>	
15040(a)(4)	1878	Commenter asserts that cannabis accessories and branded merchandise are not included in	The Department disagrees with this comment. BPC section

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		<p>CCTT track and trace and the Department should not be enforcing advertising restrictions on non-cannabis products. Commenter suggests allowing retailers to include accessories and branded merchandise in advertising promotions such as contests, sweepstakes, or raffles.</p>	<p>26151 includes the requirement that all advertisements contain the license number of the licensee responsible. To change this would require legislative action. Additionally, due to the restrictive laws governing raffles and sweepstakes, the Department has prohibited them to provide clear guidance and ensure licensees are not violating the very strict applicable laws governing raffles and sweepstakes. Additionally, the Act explicitly prohibits the provision of free cannabis accessories.</p>
15040(a)(4), 15040.2(a)	361	<p>Commenter asserts that the proposed language was amended to remove the prohibition on cannabis businesses giving away non-cannabis products. Commenter opposes this change and believes that it significantly weakens the protection of youth from commercial promotion practices. Commenter also asserts that allowing cannabis businesses to give away non-cannabis products will disadvantage smaller cannabis businesses that cannot afford to give merchandise away.</p>	<p>The Department disagrees with this comment. This provision has been amended to better align with BPC section 26153, which prohibits a licensee from giving away cannabis, cannabis products, or cannabis accessories. The Department has determined it is not necessary to retain a prohibition on cannabis businesses providing free non-cannabis products.</p>
15040.1	2047	<p>Commenter asserts that the Department should reject the change in this section that limits to certain licensees the prohibition on selling and transporting cannabis goods labeled as alcohol products and clarify the prohibition applies to marketing and advertising. This language</p>	<p>The Department agrees with this comment in part and has clarified that the prohibition on marketing cannabis goods as alcoholic products applies to all licensees.</p>

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		suggests certain licensees can transport and sell cannabis goods that are labeled as an alcohol product.	
15040.2	954	Commenter asserts that licensees should not be prohibited from giving away branded merchandise.	The Department agrees with this comment. The proposed regulation clearly states what cannot be given away as part of a business promotion; it does not include branded merchandise, provided it is not a cannabis accessory, cannabis or cannabis products.
15040.2	19, 497, 913, 896, 1159, 1383	Commenters assert that prohibiting licensees from giving away cannabis, cannabis products, or cannabis accessories, such as lighters or rolling papers, as part of a business promotion is unnecessarily burdensome and overly restrictive.	The Department disagrees with this comment. The prohibition contained in this section is statutorily mandated by BPC section 26153. Legislative action would be required to allow licensee to give away cannabis accessories as part of a business promotion or other commercial activity.
15040.2	2248	Commenter asserts that this section should include a provision, that states that nothing in this section shall prevent the distribution of free cannabis goods to any retailer or Microbusiness that is authorized to engage in retail activities pursuant to SB34 or a local program adopted pursuant thereto.	The Department disagrees with this comment. Provisions for donations pursuant to SB34 have been included in section 15411. Inclusion of such provisions here is unnecessary and duplicative.
15040.2(a)	2156	Commenter asserts that the Department should clarify whether a licensee can donate branded merchandise that is not an accessory.	The Department disagrees with this comment. The proposed regulation clearly indicates what items may not be given away, which include cannabis, cannabis products and

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			cannabis accessories.
15041	267, 294, 324, 362	Commenter asserts that advertising restrictions should also apply to third party technology platforms who advertise cannabis deliveries. Commenter suggests that subsection 15041(b) should be amended to read as follows: "For the purposes of this section, direct, individualized communication or dialogue may occur through any form of communication, including in-person, telephone, physical mail, or electronic mail, or any other electronic advertising to be viewed by an individual including but not limited to pop-up advertisements, text advertisements, etc."	The Department disagrees with this comment in part. The Department does not regulate third party technology platforms and only certain activities in the Act apply to technology platforms.
15041	895, 2076	Commenters support the proposed amendments to section 15041. In some cases, commenter expresses support especially for subsection (c).	The Department agrees with this comment.
15041, 15041.7	1559	Commenter asserts that further regulatory promulgation and cooperation from Metrc is necessary to effectively implement the statutory intent of AB 141. Commenter suggests that the Department should implement a Metrc process for trade samples, including the ability to return trade samples to cultivators and manufacturers after testing, as required by Business and Professions Code subsection 26153.1(c). Commenter asserts that the Department should release a fact sheet to clarify the process for trade samples.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings. The Department also notes the commenter's request for guidance on trade samples.

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15041.1	193, 341, 1284, 1288, 1375	Commenters assert that allowing cannabis operators to advertise with branded merchandise will encourage cannabis use among the youth. Commenter suggest that cannabis operators should not be allowed to advertise using branded merchandise.	The Department disagrees with this comment. The Department believes that the proposed regulations related to branded merchandise allow licensees flexibility to utilize a common advertising method while still adequately protecting public safety. The safeguards within the Act related to advertising and market apply to branded merchandise.
15041.1	268, 295, 325, 493	Commenter requests clarity regarding how the proposed requirement would apply in cases where multiple licenses have been issued to a single licensee or where a licensee has multiple locations with distinct license numbers. Commenter also requests clarity on how the requirement applies when licensees sell apparel at non-cannabis businesses.	The Department intends for the proposed requirement to apply to all branded merchandise sold by licensees, regardless of where the merchandise is sold. The branded merchandise must include the license number associated with the merchandise.
15041.1	780	Commenter asserts that the proposed definition of branded merchandise could unnecessarily exclude non-cannabis items such as books and cooking utensils. Commenter suggests that the first sentence of subsection 15041.1(a) should be amended to read as follows: “‘Branded merchandise’ means non-consumable consumer goods utilized by a licensee for advertising and marketing purposes. Examples of branded merchandise include clothing, bags, pens, keychains, mugs, water bottles, lanyards, stickers,	The Department disagrees with this comment. The Department believes that it is clear from the proposed language that subsection 15041.1(a) merely provides examples of branded merchandise. The Department does not intend for the list of merchandise contained therein to be exhaustive of all possible forms of branded merchandise.

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		pins, books, cooking utensils, and posters.”	
15041.1(a)	810	Commenter suggests that consumable goods, such as batteries, should be excluded from the definition of Branded Merchandise.	The Department disagrees with this comment. The Department believes that the proposed requirements related to branded merchandise are clear and necessary to protect the public.
15041.1(a)	1294, 1594	Commenters assert that subsection 15041.1(a) should be amended to include vape pen chargers and other cannabis accessories.	The Department disagrees with this comment. The Department believes that the language at proposed subsection 15041.1(a) is appropriate.
15041.1(a), 15041.1(b).	206	Commenters request clarity regarding whether these subsections apply to merchandise created by licensees that is not intended for resale, such as merchandise that is given to employees. Commenter asserts that such a requirement will create extra work for licensees, increase the cost of branded merchandise, and limit the designs and items available for use.	The Department disagrees with this comment. The Department intends for the proposed rules regarding branded merchandise to apply to all merchandise used for advertising purposes by cannabis licensees, whether the merchandise is intended for retail sale or not. The Department believes that requiring the responsible licensee to be identified on all branded merchandise is necessary to ensure that the public is properly informed regarding the source of the merchandise and can verify that the source is properly licensed.
15041.1, 15407(a), 15418(c)	363	Commenters express support for the addition of the requirement that a license number must appear on all branded merchandise. However, commenter believes the proposed	The Department disagrees with this comment. The Department believes the proposed regulations are appropriate to protect the

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		<p>language weakens limitations on branded merchandise and other promotional materials by expanding the potential types of branded merchandise that can be sold or given away by cannabis businesses, removing the requirement for DCC approval of branded merchandise, allowing storefront cannabis retailers to sell the branded merchandise of any licensee, and allowing delivery drivers to carry cannabis accessories, branded merchandise of any licensee, or promotional materials in the delivery vehicle.</p> <p>Commenter asserts that allowing the expansion of branded merchandise will likely contribute to the use of cannabis by teens. Commenter suggests that cannabis branded merchandise should not be allowed to be sold or provided upon the sale of any cannabis good. Alternatively, commenter suggests that, if branded merchandise is allowed, cannabis licensee branding should not be allowed for use on clothing, toys, games, or game equipment.</p> <p>Commenter also suggests that any cannabis, cannabis product, or branded merchandise using the name of a cannabis business or brand should be required to carry a mandatory warning box in at least the size of the business, brand, or product name.</p>	<p>safety of the public while providing licensees with greater marketing flexibility. The prohibition against advertising and marketing that is attractive to children remains in place and applies to branded merchandise. The requirements implemented by the Department align with the Act and have been amended in the proposed text to apply uniformly to all licensees, thereby expanding the consumer protections afforded. The Department believes that license number requirement for all branded merchandise is sufficient, as are the requirements for labeling cannabis and cannabis goods, such that a warning box is not necessary as suggested.</p>
15041.1(b)	20, 546, 615, 725, 811, 897,	Commenters assert that requiring licensees to include their license number on all branded	The Department disagrees with this comment. The inclusion of

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	955, 929, 964, 989, 1155, 1214, 1262, 1322, 1407, 1414, 1420, 1451, 1474, 1475, 1494, 1511, 1512, 1529, 1594, 1621, 1688, 1711, 1787, 1810, 1856, 1879, 1928, 1988, 2035, 2053, 2133, 2157, 2185, 2217, 2255, 2302, 2359	<p>merchandise in a manner that is permanently affixed to the merchandise is unnecessarily restrictive. Commenter suggests less restrictive requirements regarding the placement of the licensee's license number on branded merchandise.</p> <p>In some cases, commenter requests clarity regarding how this requirement applies to brands that are a collaboration between more than one licensee.</p> <p>In some cases, commenter suggests requiring license numbers to be affixed until the point of sale or to allow license numbers to be affixed to inside or bottom of branded merchandise.</p> <p>In some cases, commenter suggests allowing sticker labels which provide the same information.</p> <p>In some cases, commenter suggests striking in its entirety.</p>	the licensee's license number on all merchandise that advertises a licensee's brand in a manner that is clearly visible is statutorily mandated under Business and Professions Code section 26151. Thus, if the license number is not permanently affixed or in a place that is not visible, this statutory requirement is not met.
15041.2-15041.7	496, 547, 616, 726, 799, 812, 898, 1168, 1295, 1384, 1453, 1495, 1559, 1633, 1689, 1712, 1788, 1811,	<p>Commenters assert that the proposed regulations on trade samples, which set a limit per licensee, are overly strict and inflexible.</p> <p>In some cases, commenter requests that trade samples be limited by percent or unit count per production batch.</p> <p>In some cases, commenter asserts that the limits should apply to the total amount a receiving</p>	The Department disagrees with this comment. The Department believes that the proposed regulations concerning trade samples are appropriate to facilitate education between licensees without creating a risk of diversion. The Department believes that tracking trades samples based on quantity per

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	1882, 1887, 1927, 2061, 2132, 2186, 2256	<p>licensee can obtain rather than to the number of units the providing licensee can designate.</p> <p>In some cases, commenter suggests increasing employee limits within a calendar month period to receive up to 20 products each.</p> <p>In some cases, commenter asserts that the requirement to log trade samples in Metrc is overly burdensome and instead companies should inform the Department on a yearly or quarterly basis.</p>	month is appropriate and efficient rather than trying to determine a percentage or applying unit counts to individual batches. The Department also believes that the number of trade samples allowable provides for reasonable business operations while limiting the amount of free cannabis goods that are provided. It is necessary to track trade samples in the track and trace system as required by BPC section 26153.1.
15041.2(c)	1145	Commenter expresses support for the proposed amendments to subsection 15041.2(c)	The Department agrees with this comment.
15041.2(c)	49	<p>Commenter requests an amendment to strike the following provision: “Live plants and seeds cannot be designated or provided to licensees as trade samples.”</p> <p>Commenter asserts that this provision unfairly precludes nurseries from providing trade samples to Nursery operators whose livelihood depends on providing quality genetics to growers.</p>	The Department agrees that nurseries should be allowed to effectively provide trade samples and has already proposed language to facilitate the suggested change. This comment references the current language at subsection 15041.2(c) rather than the original proposed language.
15041.3	1995	Commenter asserts that there is a conflict in this section with other provisions of the regulations, which state that tested products can only be transferred to other distributors or retailers. This does not allow distributors to properly transfer trade samples for cultivation and manufacturers.	The Department disagrees with this comment. Business and Professions Code section 26153.1 allows for trade samples to be provided between licensees and transported by distributors. The proposed regulation is consistent with the Act.
15041.3	207, 1880	Commenter asserts that the proposed language does not allow any flexibility for changing orders	The Department disagrees with this comment. The

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		<p>or human error. Commenter believes that the process for designating trade samples is overly burdensome.</p> <p>In some cases, commenter suggests a process or ability to correct inventory designations.</p> <p>In some cases, commenter suggests that Metrc should have an option to designate a package on the wholesale manifest as a "trade sample package."</p> <p>Commenter also suggests that licensed retailers should be responsible for designating trade samples to eliminate the additional steps required for distributors.</p>	<p>Department believes that the proposed regulations related to trade sample designations are appropriate to ensure tracking and limit diversion. The Department believes each licensee intending to use trade samples should be responsible for designating the cannabis or cannabis product as a trade sample as others cannot make determinations about a licensee's marketing activities.</p>
15041.3	649	<p>Commenter asserts that cultivators and manufactures are allowed to designate trade samples, and that trade samples must undergo laboratory testing prior to being provided to other licensees, but the regulations do not allow distributors to transfer trade samples to anyone other than distributors or retails. Commenter suggests that distributors should be allowed to transfer trade samples that have been tested back to cultivation and manufacturing licensees so they can provide the samples according to law.</p>	<p>The Department agrees with this comment. BPC section 26153.1 allows trade samples to be transferred back to cultivators and manufacturers.</p>
15041.3	879	<p>Commenter asserts that tested cannabis and cannabis product samples in final form which have not exceeded their "sell by" date should be allowed to be re-purposed from trade samples for use in compassion programs.</p>	<p>The Department agrees in part with this comment. Section 15041.3(c) allows designated trade samples to be changed to medicinal donations. The Department believes the proposed process to</p>

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			change designations is appropriate.
15041.3, 15041.5	965, 966, 967	Commenter suggests that licensees should be allowed to designate dried flower as a trade sample in bulk. Commenter suggests amendments to allow the designation of trade samples in the form of dried flower up to 20 pounds, and cannabis products up to 9,000 individual units.	The Department disagrees with this comment. BPC section 26153.1 applies the general rules applicable to cannabis to trade samples. The Department believes that the proposed regulations related to the designation of trade samples are appropriate.
15041.3(c), 15041.5(c)	68	Commenter suggests allowing compassionate donation for products designated as trade samples that are no longer useful as trade samples but have not expired.	The Department agrees with this comment. The Department has proposed an amendment to allow trade samples to be designated as medicinal donations in subsection 15041.3(c).
15041.4	650, 1452, 1996, 2014	Commenter asserts that Metrc does not currently have the functionality needed to implement the requirement that all cannabis trade samples must be properly recorded in the state's track-and-trace system. Commenter asserts that trade sample transfers should have a specific designation in Metrc.	The Department disagrees with this comment. The track and trace system has functionality to enter trade samples.
15041.4	781	Commenter asserts that the proposed language misinterprets BPC section 26153.1(f). Commenter asserts that retailers should be allowed to provide trade samples to other licensees. Commenter suggests that subsection 15041.4(b) should be amended to read as follows: "The following licensees may designate and provide trade samples to other licensees: (1) Cultivators; (2) Manufacturers; (3) Distributors; (4) Microbusinesses authorized to engage in cultivation,	The Department disagrees with this comment. The Department does not believe it is necessary to allow retail cannabis businesses to provide trade samples to other licensees, as retail licensees sell their products directly to consumers and not to other licensees. The Department believes that the proposed provisions are compliant with all

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		manufacturing, or distribution; and (5) Retailers. Commenter suggests that subsection 15041.4(d) should be amended to read as follows: "The following licensees shall not designate or provide trade samples to other licensees: (1) Cannabis event organizers; (2) Distributor transport only licensees; and (3) Testing laboratories."	applicable statutory authority.
15041.4	1527, 1857, 2467	Commenter asserts that licensed cannabis event organizers should be allowed to receive trade samples.	The Department disagrees with this comment. The privileges of an event organizer do not include the ability to buy, sell or possess cannabis goods, thus provision of trade samples is unnecessary.
15041.4(a)	2158	Commenter asserts that distributor transport only licensees should be able to receive trade samples, and "distributor transport only licensees" should be removed from this section.	The Department disagrees with this comment. The privileges of an distributor transport only license does not include the ability to buy or sell cannabis goods, only to transport them, thus provision of trade samples is unnecessary.
15041.4(e)	2159	Commenter asserts that retailers should be able to designate, label, and provide trade samples to any other licensees as well as employees.	The Department disagrees with this comment. As a retailer's licensed privileges do not include the ability to sell or provide cannabis goods to other licensees, thus provision of trade samples by a retailer to anyone other than the retailers own employees for education purposes is unnecessary. Additionally, trade samples must be labeled before transferred to retailers as provided for in the Act.

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15041.4(f)	1881	Commenter requests clarification on how to record transfers to remain compliant, as currently Distributors send samples on wholesale transfers in Metrc. This means that they are sent to retailers at a cost of usually .01c. Commenter requests clarification on if Trade Samples should be sent on Transfers and not wholesale manifest if they are not for a "cost" .	The Department disagrees with this comment. The Metrc system has functionality consistent with the trade sample provisions.
15041.4(i)	1297	Commenter asserts that licensees should not be required to enter cannabis and cannabis products provided to employees as trade samples into the track and trace system.	The Department disagrees with this comment. It is necessary to track trade samples in the track and trace system as required by BPC section 26153.1.
15041.5(a), 15041.5(c)	1216	Commenter suggests that proposed subsections 15041.5(a) and 15041.5(c) should be reorganized so that the labeling requirements contained in section 15041.5 are sequential.	The Department disagrees with this comment. The Department believes that the organization of the proposed regulations is appropriate.
15041.5(g)	2160, 2392	Commenter asserts that this subsection unnecessarily restricts what a recipient can do with seeds and immatures plants resulting in almost a blanket prohibition on learning from the trade sample provided. Commenter suggests the following language: "Licensees that receive immature plants, seeds, and propagated material as trade samples shall not sell or distribute cannabis derived from the cultivated trade sample but shall be entitled to provide such derivatives to the licensee's employees for free for educational purposes."	The Department disagrees with this comment. The Department has provided a pathway for the provision of trade samples. This allows licensees to review the seeds and immature plants as trade samples in accordance with the intent of the Act.

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		In some cases, commenter asserts limiting samples to individual seeds provides no information where a package would provide information.	
15041.6(b)	2161	Commenter asserts that this subsection unnecessary, prejudicial to the employee, and assumes trade sample consumption is intoxicating and consumed while working. Commenter suggests deleting the language, and in the alternative, add ...trade samples shall not be consumed by employees “while or immediately preceding any time when they” are engage in the transportation...	The Department disagrees with this comment. In order to ensure employees, consume trade samples in a safe manner the limitation is necessary.
15041.7	651, 686, 1217, 1263, 1296, 1859, 1997, 2036, 2077	<p>Commenter asserts that the proposed regulations should be amended to set trade sample limits as a percentage of each batch, with an alternative fixed number of units per month to be utilized by smaller operators.</p> <p>In some cases, commenter suggests setting the limit to 5% of each batch produced.</p> <p>In some cases, commenter suggests amending limits to “no less than 2% per batch,” with an alternative fixed number of units per month for smaller operators. References should also be unit-based.</p>	The Department disagrees with this comment. The Department believes that the proposed regulations concerning trade samples are appropriate to facilitate education between licensees without creating a risk of diversion. The Department believes that tracking trades samples based on quantity per month is appropriate and efficient rather than trying to determine a percentage or applying unit counts to individual batches.
15041.7(a)(2)	2303	Commenter asserts that this section still does not address the size of the business providing the trade samples, and the number of skus a business might have. Commenter asserts the entire section is too complicated to	The Department disagrees with this comment. The Department believes that the proposed regulations concerning trade samples are appropriate to facilitate education

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		easily implement, and suggests striking this line.	between licensees without creating a risk of diversion. The Department believes that tracking trades samples based on quantity per month is appropriate and efficient rather than trying to determine a percentage or applying unit counts to individual batches. The Department believes that the language of the section clearly indicates the amount of trade samples that can be provided on a monthly basis.
15041.7(c)-(d)	2162	Commenter asserts that the proposed limits on trade samples are arbitrary and unnecessary and proposes the deletion of subsection (c) and (d).	The Department disagrees with this comment. The Department believes that the proposed regulations concerning trade samples are appropriate to facilitate education between licensees without creating a risk of diversion. The Department believes that the proposed language and limits are sufficient to allow licensees to adequately educate other licensees and their employees regarding their cannabis and cannabis products.
15041.7(c)	1859	Commenter suggest providing a definition for “cannabis products line,” and clarify whether licensees can provide one product from a single product line, or an unlimited number from a single product line, to recipient employees each month.	The Department disagrees with this comment. The Department believes that the proposed language and limits are sufficient to allow licensees to adequately educate other licensees and their employees regarding their

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			cannabis and cannabis products.
15041.7(d)	782, 1264, 1408, 1413, 1421	Commenters assert that it is necessary to allow cannabis retailers to give trade samples of multiple cannabis product lines per month. Commenter suggests that subsection 15041.7(d) should be amended to read as follows: “A licensee is limited to providing no more than ten (10) individual cannabis and cannabis products lines to each recipient employee in a calendar month period.” Alternatively, commenter suggests that the limit should be based on a percentage per batch.	The Department disagrees with this comment. The Department believes that the proposed language is sufficient to allow licensees to adequately educate their employees regarding inventory. The Department believes that tracking trades samples based on quantity per month is appropriate and efficient rather than trying to determine a percentage or applying unit counts to individual batches.
15042	1993, 2163, 2304	Commenters assert that the change from “limited access area” to limited premises” is unreasonable and creates administrative burdens, and language should be returned to “limited-access” areas.	The Department disagrees with this comment. Premises access requirements more accurately describes the content of the section.
15042	308	Commenter states the section seems to allow for cannabis events and that consumption at events leads to impaired driving. Commenter recommends that that cannabis businesses that serve cannabis should be held liable for accidents and deaths caused by their patrons and the regulation should establish standards for impairment.	While not on the proposed action the Department notes commenter’s suggestion.
15042	930, 1003, 1017, 988, 1055, 1097, 1131, 1354, 1385, 1548,	Commenters assert that cultivators should be allowed to grant access to family members, friends, contractors, and any other visitors to licensed premises. Commenter suggests that cultivators should be exempted from the premises access	The Department disagrees with this comment. The Department believes that the proposed regulations concerning licensed premises are appropriate to protect the public and

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	1907, 2374, 2388, 2419	<p>requirements, or that the restrictions should be narrowed to only areas of the premises where cannabis is stored.</p> <p>In some cases, commenter suggest that the premises access requirements should be removed or narrowed to only secured access areas for all licensees.</p>	prevent theft, diversion and contamination by ensuring access to a licensed premises is controlled.
15042, 17800	1465, 1724, 1823	Commenters assert that section 17800 should be amended to specify that Department employees must comply with the licensee's sign-in/sign-out procedures pursuant to 15042.	The Department disagrees with this comment. Department staff identifies themselves when arriving at the licensed premises.
15042(a)	249	<p>Commenter expresses support for proposed subsection 15042(a). Commenter believes the proposed amendment, which establish a sign-in/sign-out procedure for all persons entering a cultivation site, is necessary to protect the integrity of the cannabis program by preventing illicit cannabis consumption at cultivation sites. Commenter suggests adding the following phrase at the end of the subsection: "Authorized individuals expressly do not include those evaluating a product for personal, friend or family use, and exclude all forms of cannatourism."</p>	<p>The Department agrees in part with this comment. The Department believes that the proposed regulations concerning licensed premises are appropriate to protect the public and prevent theft, diversion and contamination by ensuring access to a licensed premises is controlled. The Department does not believe it is necessary to limit the meaning of the term "authorized individuals" as suggested. Lastly, licensees are not permitted to engage in cannatourism on their licensed premises.</p>
15042(a)	2329, 2345	<p>Commenters assert that sign-in/sign-out procedures for farms, should not be required.</p> <p>In some cases, commenter asserts that if necessary, should only be for secure access areas.</p>	The Department disagrees with this comment. The Department believes that the proposed regulations concerning licensed premises are appropriate to protect the public and prevent theft, diversion and contamination by

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			ensuring access to a licensed premises is controlled.
15042(f)	1098, 1132, 1355, 1899, 2320	<p>Commenters assert that cultivation licensees should be allowed to receive consideration or compensation for permitting an individual to enter the licensed premises.</p> <p>In some cases, commenters assert this will impact “canna-tourism.”</p>	The Department disagrees with this comment. The Department disagrees with this comment. The Department believes that the proposed regulations concerning licensed premises are appropriate to protect the public and prevent theft, diversion and contamination by ensuring access to a licensed premises is controlled. Lastly, licensees are not permitted to engage in cannatourism on their licensed premises.
15042.1	880	Commenter asserts that the public should be prevented from accessing licensee’s security plans through the Public Records Act.	The Department agrees in part with this comment. The Department takes steps to protect information that is not required to be produced under the Public Records Act, such as security related information.
15042.1	968	Commenter asserts that licensed manufacturers should not be required to provide fencing around their grounds and driveway.	The Department disagrees with this comment. The Department believes that the provisions in proposed section 15042.1 are necessary to ensure the safety of the public.
15043	269, 296, 326, 1534	Commenters believe that the requirements for employee badges help easily identify employees of cannabis businesses and should continue to apply to all licensees rather than being limited to only	The Department agrees with this comment.

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		licensees conducting retail sales or participating in a temporary cannabis event.	
15043	2164	Commenter expresses support for the clarity provided in this section regarding the licensees that must comply with this requirement.	The Department agrees with this comment.
15043	783	Commenter asserts that only employees who interface with the public should be required to wear an identification badge, and that the badge should not be required to include the employee's first name. Commenter suggests that section 15043 should be amended to read as follows: "All agents, officers, or other persons acting for or employed by a licensee who interface with the public by conducting retail sales or participating in a temporary cannabis event shall display a laminated or plastic-coated identification badge issued by the licensee while engaging in commercial cannabis activity. The identification badge shall, at a minimum, include the licensee's 'doing business as' name and license number, an employee number exclusively assigned to that employee for identification purposes, and a color photograph of the employee that clearly shows the full front of the employee's face and that is at least 1 inch in width and 1.5 inches in height."	The Department disagrees with this comment. The Department believes that the proposed language ensures that employees of licensees can be adequately identified by Department representatives, as necessary to verify compliance.
15044	1949	Commenter asserts that all licensees should be required to have a video surveillance system meeting the specifications in regulations; number of crimes against cannabis businesses has	The Department disagrees with this comment. The Department believes that cultivators should not be required to comply with this provision as

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		increased.	cultivation premises are often large, outdoor and in rural locations. This exception is extended to the cultivation portion of a microbusiness premises for consistency.
15044, 15046, 15047	82, 1023, 1561, 2395, 2411	<p>Commenters suggests that the Department should exempt microbusinesses from the video requirements in section 15044.</p> <p>In some cases, commenter also asserts that microbusinesses should be exempted from the lock, and alarm requirements in sections 15046, and 15047 if the premises is located on the same site as an outdoor or mixed-light cultivation license.</p> <p>In some cases, commenter asserts microbusinesses should be exempt from all security requirements.</p> <p>In some case, commenter asserts all businesses should be exempt from video surveillance requirements.</p>	The Department disagrees with this comment. The Department believes that the proposed regulation related to video surveillance systems, locks, and alarm systems are appropriate for public safety and to prevent theft. Microbusinesses are exempt from certain security provisions for the portion of their premises dedicated to cultivation consistent with other cultivators.
15044(a), 15047(a), 15315	97, 931, 939	<p>Commenters support the proposed amendments to section 15044(a) and 15047(a). Commenter suggests that the exception for the video and alarm requirements should be extended to distributors engaged in self-transport only.</p>	The Department agrees with this comment. Language that extends the exemptions from the video surveillance and alarm system requirements to licensed distributor transport only licensees engaged in self-distribution whose premises is on the same parcel of land as their licensed cultivation premises has already been proposed in sections 15044(m) and 15315(g).
15044(f)	969	Commenter asserts that	The Department

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		subsection 15044(f) should be amended to allow the Department to authorize motion-only recording of certain areas of licensed premises.	disagrees with this comment. The Department believes that the provisions in proposed subsection 15044(f) are necessary to ensure the safety of the public, prevent theft, and ensure compliance with applicable regulations.
15044(i)	970	Commenter asserts the licensees should be given 24 hours to provide the Department with copies of records at licensed premises.	The Department disagrees with this comment. The Department believes that a licensee should be able to produce records they are required to keep when requested by the Department. Often the Department is onsite at a licensed premises and requests to view it at that time.
15045(b)	1535	Commenter asserts that subsection 15045(b) should require security at all types of licensed premises, not just premises licensed for retail sales.	The Department disagrees with this comment. The Department believes that the proposed regulations related to security personnel are appropriate to protect the public without overburdening licensees.
Track and Trace System Generally	12	Commenter expresses concern regarding the sufficiency of the Track and Trace system, and asserts it is commonly known in Humboldt County that many farms licensed by the Department sell cannabis in the illicit market.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Track and Trace Requirements for Delivery	1952	Commenter suggests replacing paper requirements with real-time, digital track and trace for all delivery.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the

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			development of policies for future rulemakings.
Track and Trace	170, 2105	<p>Commenter asserts that METRC is redundant and difficult to use. Commenter suggests that the Department should treat cannabis as a true agriculture and lessen its burdensome regulations.</p> <p>In some cases, commenter recommends simplifying METRC</p>	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Track and Trace	434, 448	Commenter suggests that the Department should stop requiring METRC data as the system cannot accommodate the required data.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
UID Numbers	450, 695	Commenter suggests that the requirement to have the same UID number on each immature plant that is associated with the tag number should be removed.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Track and Trace	570, 638, 662, 1734, 1832	Commenter asserts that the Department should work with METRC to improve response times.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
API	663	Commenter asserts that the Department should ensure there is access to a web app sandbox for engineers to test feature integration prior to launch, similar to the API sandbox engineers can currently utilize. Commenter asserts that the Department should integrate functionality into METRC's API that allows for specific data filters or other set	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

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		criteria when transferring licensee information in order to better protect the sensitive data of businesses, brands, and retail partners.	
Track and Trace Errors	1454, 1713, 1812	Commenter asserts that the Department should require track and trace to allow licensees to change or update a lot number as long as the change occurs within 24 hours of the package creation or before additional child packages are created, if traceability is not impacted.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Track and Trace	2106	Commenter asserts that leaves and trim, which are practically worthless, are composted and returned to the soil, and should not be tracked.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Trade Sample Reporting	1265	Commenter suggests that the Department should develop a process for monthly trade sample reporting that does not need to be recorded in the statewide track and trace program.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Tracking of Terpenes	1466	Commenter asserts that the Department should put a standardization of METRC-sourced cannabis derived terpenes in place.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15047.1	548, 617, 1219, 1323, 1690, 1789, 2218	Commenters assert that RFID tagging is not mandated under state law and is excessive technology. Commenter recommend removing "RFID" from the definitions found in section 15047.1.	The Department agrees with this comment. The Department has proposed an amendment to eliminate the phrase "RFID enabled" from subsection 15047.1(a).
15047.1	1218	Commenter asserts that the definitions of the terms "plant tag"	The Department disagrees with this

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		and “package tag” contained in section 15047.1 should be moved to section 15000 so that all definitions are contained in the same section.	comment. The Department believes that the organization of the proposed regulations is appropriate.
15047.1-15049	2311	Commenter asserts that the proposed change allowing for the cumulative weighing of batches of cannabis products is a helpful change but does not go far enough, as all the plants in the batch are already of the same type and growing methodology. Commenter requests to allow a “batch and lot” tag or requests that the State’s contracted Track and Trace company use the greenest methods available in order to secure the valuable contract with the State of California, like a QR Code.	The Department disagrees with this comment. The Department believes that it is necessary for each mature plant to be tagged in accordance with the proposed regulations to ensure that all plants can be properly identified and recorded within the track and trace system to report the movement of each plant throughout the distribution chain.
15047.1, 15048.2, 15048.4, 15049.1	69, 73, 77, 79, 86, 93, 100, 102, 110, 116, 121, 126, 130, 137, 147, 148, 152, 155, 159, 163, 168, 171, 181, 211, 234, 245, 277, 278, 279, 304, 305, 306, 334, 335, 336, 390, 393, 396, 404, 408, 412, 415, 418, 449, 483, 490, 551, 571, 620, 639, 694, 690, 713, 763, 764, 737,	<p>Commenters assert that there is no practical purpose to the requirement that each plant be individually tagged. Commenter believes that this requirement results in environmental harm including excessive waste, and that it is unduly labor-intensive.</p> <p>In some cases, commenter suggests an amendment to calculate the volume of plants by grams or pounds per square foot instead of through plant tags.</p> <p>In some cases, commenter suggests that lot or batch tagging for mature plants would be preferable.</p> <p>In some cases, commenter asserts that proposed section 15048.2, which requires that licensees must only use plant and package tags that are provided</p>	The Department disagrees with this comment. The Department believes that it is necessary for each mature plant to be tagged in accordance with the proposed regulations to ensure that all plants can be properly identified and recorded within the track and trace system to report the movement of each plant throughout the distribution chain. The Department believes it is necessary to use tags provided by the Department to ensure they tags are consistent and that cannabis and cannabis products can be properly accounted for in the track and trace system.

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	801, 907, 932, 980, 992, 993, 1013, 1018, 1054, 1061, 1068, 1220, 1476, 1477, 1513, 1514, 1571, 1693, 1735, 1792, 1833, 1971, 2141, 2191, 2226, 2349, 2351, 2354, 2371, 2372, 2380, 2390, 2399, 2400, 2407, 2449, 2456	and distributed by the Department and that are assigned in the track and trace system to that licensee, causes packaging excess waste.	
15047.1, 15048.2, 15048.3, 15048.4	1536	Commenters suggest that the Department should define the term “tagging.”	The Department disagrees with this comment. The Department believes that the proposed definitions are sufficient to inform licensees regarding the meaning of nonobvious terms that are utilized throughout the regulations, and that the regulations proposed in sections 15048.2, 15048.3, and 15048.4 are sufficient to inform

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			licensees regarding the Department's expectations related to tagging.
15047.1-15052	2227, 2275, 2414	Commenters express support for the proposed regulations switching from being required to individually weigh each plant to batch harvesting and recording each harvest wet weight.	The Department agrees with this comment.
15047.1(b)	50	Commenter suggests replacing the phrase "cannabis or cannabis products" with "immature cannabis plants or cannabis products" in the definition for "package tag" contained in subsection 15047.1(b).	The Department disagrees with this comment. The definition for tags that are attached to cannabis plants is contained in subsection 15047.1(a). The definition contained in subsection 15047.1(b) refers to tags that are attached to batches of cannabis or cannabis products.
15048	1870	Commenter asserts that it is not typical for owners to manage software systems for large companies, and an employee should be authorized as an account manager.	The Department disagrees with this comment. If an employee is provided the management and control of an account manager, then such an employee must be disclosed as an owner.
15048.2	2165	Commenter expresses support to the Department for providing a practical solution regarding the destruction of Metrc tags.	The Department agrees with this comment.
15048.2	1476	Commenter asserts that the requirements in proposed section 15048.2 that licensees must only use plant and package tags that are provided and distributed by the Department and that are assigned in the track and trace system to that licensee leads to excess waste.	The Department disagrees with this comment. The Department believes that it is necessary for each mature plant to be tagged in accordance with the proposed regulations to ensure that all plants can be properly identified and recorded within the track and trace system to report

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			the movement of each plant throughout the distribution chain. The Department believes it is necessary to use tags provided by the Department to ensure they tags are consistent and that cannabis and cannabis products can be properly accounted for in the track and trace system.
15048.2	744, 800, 824, 1176, 1496, 1912, 2117, 2197	Commenters support the proposed amendments to section 15048.2 In some cases, commenters specifically support amendments permitting destruction of Metrc tags.	The Department agrees with this comment.
15048.2(d)	1926, 2131	Commenter asserts the proposed regulation should reference section 17223(f)(2), which captures the requirement that waste must be destroyed on video surveillance.	The Department disagrees with this comment. Additional cross-references here are unnecessary.
15048.2	549, 618, 1691, 1790	Commenter requests clarification regarding whether previously used tags that were originally subject to the 7-year retention policy can be discarded.	The Department has amended the sections to clarify that tags should be disposed following their use.
15048.2(c)	1620	Commenter asserts that the default tag allotments should be increased. Commenter suggests that the default tag allotment for new manufacturing licensees should be a minimum of 2,000 tags. Commenter suggests that the default tag allotment for new distribution licensees should be a minimum of 10,000 tags. Commenter suggests that retail licensees should be automatically granted access to order 100 tags for the sole purposes of returns and should not need to contact the Department to request permission to order tags.	No substantive amendments have been proposed related to tag allotments. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

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15048.3(a)(3)	1600	Commenter asserts that the reference to subsection 15020(e) in subsection 15048.3(a)(3) is erroneous. Commenter suggests that this subsection should be amended to include the correct reference.	The Department notes the error in the cross-reference and will adjust accordingly.
15048.4	120, 994	Commenters assert that the batch tagging requirements for immature plants are cumbersome. Commenter requests that an unlimited number of immature plants be allowed per tag.	The Department disagrees with this comment. The Department believes that it is necessary for each mature plant to be tagged in accordance with the proposed regulations to ensure that all plants can be properly identified and recorded within the track and trace system to report the movement of each plant throughout the distribution chain.
15048.4	192, 310, 340, 402, 1286, 2073	<p>Commenters suggest that tagging of each individual plant should be required for immature plants, and that lot tagging should not be allowed for any cannabis plants. Commenter asserts that requiring RFID tags for each individual immature plant will shut down illicit operators.</p> <p>In some case, commenter asserts that plant tagging can be used to create a marketplace where cannabis genetic can be licensed similar to music streaming models.</p> <p>In some cases, commenter asserts that with the exception of cannabis clones, each immature plant should have an RFID.</p>	The Department disagrees with this comment in part. The Department does not believe it is necessary to require individual tagging of immature plants or to mandate the use of RFID enable tags. Lot tagging is not permitted for mature plants.
15048.4	270, 297, 327, 1537	Commenters assert that the proposed section fails to address the tagging requirements for clones. Commenter suggests that	The Department disagrees with this comment. The Department believes that

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		the Department should address how clones are tracked prior to rooting. Commenter recommends that each batch of clones which is cut on a single day of a single strain should be assigned a single plant tag as a lot; once rooting has occurred, lots of clones should be allowed to be combined into immature plant lots.	the proposed provisions related to immature plants apply to clones.
15048.4	1324, 2219, 2220	Commenters assert that the Department should provide a definition for the terms “assigned” and “applied” used in subsection 15048.4(a).	The Department disagrees with this comment. The Department believes that the proposed definitions are sufficient to inform licensees regarding the meaning of nonobvious terms that are utilized throughout the regulations.
15048.4	1872, 2011, 2111, 2221, 2456	<p>Commenters assert that tagging for mature plants should be by batch, mirroring tagging requirements for immature plants.</p> <p>In some cases, commenter suggests allowing a lot with up to 500 plants be tagged.</p>	The Department disagrees with this comment. The Department believes that it is necessary for each mature plant to be tagged in accordance with the proposed regulations to ensure that all plants can be properly identified and recorded within the track and trace system to report the movement of each plant throughout the distribution chain.
15048.4	2438	Commenter asserts the need to reconcile every 30 days, inventory in the track and trace system.	The Department agrees with this comment and requires reconciliation under section 15051.
15048.4(a)(1)	216, 351, 1738, 1871, 2273	Commenters suggest that licensees should be allowed to assign more than 100 individual immature plants per lot. Commenter asserts that the proposed limit will unnecessarily result in multiple lots of immature	No substantive amendments have been proposed related to the number of plants per lot, rather it has been moved within the regulations from 16403. While not on the

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		<p>plants that were all cut at the same time, are uniform in strain, and are grouped together physically in the same area. Commenter believes that limiting lots to 100 immature plants results in extra work for licensees and increases the difficulty of inventory tracking.</p> <p>In some cases, commenter asserts that one UID should be issued for what amounts to a “planting batch,” which is a batch of the same variety planted (or cut or clones) within a 1-5 day period.</p> <p>In some cases, commenter asserts batch sizes should be increased to 1000.</p> <p>In some cases, commenter asserts immature plant lots should be increased to 200.</p>	<p>proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.</p>
15048.4(a)(1) (A)-(B)	2282	<p>Commenter asserts requiring additional labeling of each individual immature plant in an already tagged/labeled lot is unnecessary and is unduly expensive for no additional plant tracking value. Commenter suggests striking subsection (A) and (B)</p>	<p>The Department disagrees with this comment. The section allows for lot tagging of immature plants, but specifies that such lots must be separate for ease in identification.</p>
15048.5	971, 1099, 1133, 1325, 1356, 1478, 1515, 2222	<p>Commenters oppose the proposed requirements related to cannabis and cannabis products held in a container.</p> <p>In some cases, commenter asserts that licensees should be allowed store package tags immediately adjacent to the container holding the cannabis or cannabis products.</p> <p>In some cases, commenter asserts that licensees should be allowed to label cannabis or</p>	<p>The Department disagrees with this comment. The Department believes that the provisions in proposed section 15048.5 are necessary to properly identify plants and reconcile inventory; thus, facilitating compliance.</p>

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		<p>cannabis products held in multiple containers in a way that identifies that they are from the same batch, rather than with the applicable UID number.</p> <p>In some cases, commenter asserts that proposed subsection 15048.5 will generate waste by requiring licensees to physically repackage every bulk unit using a new bag each time a package arrives at their facility.</p>	
15048.5	51	<p>Commenter asserts that the provisions contained in subsection 15048.5(a) and (b) are unclear as to when a harvest batch needs to be assigned a tag. Commenter suggests an amendment requiring that a tag be assigned to a harvest batch within 30 days of harvest.</p>	<p>This comment references the current language in proposed subsection 15048.5(b). The language proposed at subsection 15048.5(b) specifies that, for each harvest batch, the package tag shall be assigned and recorded in the track and trace system no later than the time at which any part of that harvest batch has finished undergoing any applicable drying, curing, grading, and trimming. The Department believes the proposed language is sufficient to clarify when a harvest batch needs to be assigned a tag.</p>
15048.5	194, 342, 343, 674, 1285, 1287, 1289, 1376, 1950	<p>Commenters assert that most diversion of illegal cannabis occurs during harvest batching, and that not requiring individual tagging at this stage allows licensees to divert cannabis into the illegal market. Commenter suggests that cannabis licensees should be required to tag each plant during harvest batching to prevent diversion.</p>	<p>The Department disagrees with this. Cultivators have been permitted to tag immature plants as a lot. The Department does not have evidence that such tagging increases diversion.</p>
15048.5(c)	1221, 1325	<p>Commenter asserts that</p>	<p>The Department agrees</p>

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		subsection 15048.5(c) contains a typo. Commenter asserts that the repeated phrase “and cannabis” should be removed from the subsection.	with this comment. The Department has proposed amended language to address the error identified in this comment.
15049	452, 697, 1070	Commenters express support for proposed section 15049.	The Department agrees with this comment.
15049	550, 619, 1692, 1791,	Commenters request that the proposed language in subsection 15049(c)(5), which requires that the brand name of cannabis goods be entered into track and trace be struck.	The Department disagrees with this comment. The Department believes that the requested information is necessary to ensure that complete data is available to the Department and properly track cannabis and cannabis products throughout the supply chain.
15049	1617	Commenter asserts that subsection 15049(c)(5), which requires licensees to identify the brand name of cannabis goods in the track and trace system, should only apply to cannabis goods that are in their final form.	The Department disagrees with this comment. The Department believes that the requested information is necessary to ensure that complete data is available to the Department and properly track cannabis and cannabis products throughout the supply chain.
15049(b)	1326, 2223	Commenters assert that the deadline to record activities in the track and trace system should be extended from within 24 hours of occurrence to within 72 hours of occurrence.	The Department disagrees with this comment. The Department chose 24 hours as it was most consistent with the sections that were consolidated and to ensure the accuracy of the track and trace system.
15049(c)	2078	Commenter asserts that at a minimum, city and zip code of the intended destination of any	The Department disagrees with this comment. The shipping

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		delivery should be recorded in Metrc.	manifest contains the information commenter suggests being included.
15049(c)(5)	1222, 1968, 1975	Commenters assert that there is no need to require licensees to record the brand name of cannabis goods in track and trace.	The Department disagrees with this comment. The Department believes that the requested information is necessary to ensure that complete data is available to the Department and properly track cannabis and cannabis products throughout the supply chain.
15049(b)(5), 15314(a)(3)	1538, 1626	Commenter asserts that there is no option in Metrc to record the disposal of immature or mature plants as required under subsection 15049(b)(5) or to generate a shipping manifest as required under subsection 15314(a)(3).	The Department disagrees with this comment. The Metrc system operates in alignment with the regulations.
15049(e), 15052.1(b)	517, 586, 746, 803, 1658, 1757, 2199	Commenters express support for the proposed changes to subsection 15049(e) and 15052.1(b).	The Department agrees with this comment.
15049.1	451, 696, 995, 1019	Commenters suggest that the requirement to weigh every plant or to weigh batches of plants should be removed.	The Department disagrees with this comment. The Department believes that the collection and tracking of data related to weight is necessary to ensure compliance.
15049.1	516, 585, 802, 1657, 1756	Commenters express support for the proposed changes to section 15049.1.	The Department agrees with this comment.
15049.1	996, 2457	Commenters suggest that the requirement to weigh cannabis waste associated with each harvest should be removed.	The Department disagrees with this comment. The Department believes that the collection and tracking of data related to weight is necessary to ensure compliance.

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15049.1	745, 2198	Commenters support the proposed amendments to section 15049.1	The Department agrees with this comment.
15049.1	2361, 2381	Commenter asserts that the Department to stop requiring licensees to weigh wet harvested weed.	The Department disagrees with this comment. The wet weight is necessary to ensure tracking is accurate.
15049.1(a)(2)	933, 1572	Commenter asserts that licensees should not be required to report each individual plant as “flowering” once it has been moved to the mature plant canopy area.	The Department disagrees with this comment. The Department believes that the proposed requirements related to recording cultivation activities ensure that the Department has access to adequate data regarding cultivation activities, as necessary to protect the public.
15049.1(b)	1146, 1177, 1497, 1570	Commenters express support for the proposed amendments to subsection 15049.1(b).	The Department agrees with this comment.
15049.1(b)(2)	348, 1223, 1602, 2270	<p>Commenter asserts that the word “plant” is missing the letter “t” in subsection 15049.1(b)(2) and suggests that the spelling be corrected.</p> <p>In some cases, commenter asserts that the word “plan” in this subsection should be replaced with the word “batch.”</p>	The Department has corrected the typographical error.
15049.2	652, 1267, 1299, 2062, 2470,	Commenters assert that Metrc is unable to register a transfer directly via the application programming interface (API), which requires licensees to generate a shipping manifest outside of Metrc and then upload it. Commenter suggests that Metrc should be fully integrated so licensees can directly enter product transfers.	No substantive amendments have been proposed related to the use of APIs. While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15049.2	276, 303,	Commenter asserts that the	The Department

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	333	<p>Department should allow cannabis to be transferred between licensees on the same parcel within the same business.</p> <p>Commenter believes such an amendment would allow licensees with multiple licenses to efficiently move product without creating an additional shipping manifest.</p> <p>Commenter suggests that the following language be added as subsection 15049.2(e): “A licensee shall be allowed to transfer cannabis and cannabis products through the track and trace system to other licensees within their business if they are located on the same premises. The following information shall be recorded during the transfer: (1) The name, license number, and premises address; (2) The UID numbers for all items being transferred; (3) The item name, item category and weight or count of cannabis or cannabis products associated with each package tag.”</p>	disagrees with this comment. The Act requires transportation of cannabis and cannabis products be performed by a distributor.
15049.2	1873	Commenter asserts that manifesting plants by hand between nursery and mature licenses of same entity within same property is tedious and requires performing unnecessary workflow in system and suggests developing functionality for stacked operators to easily perform movements in system; the process for cultivators to transfer plants should differ from requirement	The Department disagrees with this comment. Tracking cannabis from one licensed premises to another is required whether or not the licenses are held by the same person to properly account for it in the track and trace system.
15049.2, 15311	937, 1566	Commenter asserts that the language in section 15418 regarding inventory ledgers for delivery should be applied to section 15311 and 15049.2	No substantive amendments have been proposed related to delivery ledgers, nor has it

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		concerning distribution. Commenter suggests that the Department should clarify that a distributor may initiate transportation based on a single sales invoice and add additional business to business transactions while in the process of transport.	proposed changes to the shipping manifest requirements. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15049.2, 15052.1	1447, 1990	<p>Commenter asserts that the terms "manifest," "sales invoice," and "receipt" are used inconsistently in sections 15049.2 and 15052.1</p> <p>In some cases, commenter suggests that only portion of the products that differs from the "sales invoice or receipt" should be rejected.</p>	The Department disagrees with this comment. The Department believes that the use of terminology throughout the proposed regulations is consistent.
15049.2(a)	1601	Commenter asserts that subsection 15049.2 should be amended to clarify that the distributor is the licensee responsible for preparing a shipping manifest.	The Department disagrees with this comment. Regulations governing shipping manifests are contained in section 15314.
15049.2(a)(2)	1224	Commenter asserts that phrase "cannabis and cannabis products" in subsection 15049.2(a)(2) should be replaced with the phrase "cannabis and/or cannabis goods."	The Department disagrees with this comment. The Department believes that it is clear from the text of proposed subsection 15049.2(a)(2) that both cannabis and cannabis goods are required to be reported if present.
15049.2(b)(1), 15049.2(b)(2), 15049.2(d)	205, 1479, 1480, 1481, 1516, 1517, 1518	<p>Commenter asserts that proposed subsections 15049.2(b)(1), 15049.2(b)(2), and 15049.2(d) do not leave any room for human error.</p> <p>In some cases, commenter asserts that errors in the shipping</p>	The Department disagrees with this comment. Licensees are responsible for complying with the requirements related to track and trace. Licensees that make errors should contact the

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		<p>manifest results in unnecessary labor and time costs associated with entire packages that must be rejected because they are off by a negligible amount.</p> <p>In some cases, commenter asserts that Metrc only records real time data and that users have no way to adjust times after they have been marked, which causes false data to be entered when human and technological errors occur.</p>	Department for assistance.
15049.2(d), 15052.1(b)(1)	1707, 1806	Commenter asserts that subsection 15049.2(d) should be amended to add a reference to section 15052.1. Commenter asserts that subsection 15052.1(b)(1) should be amended to read as follows: "If a licensee receives a shipment containing cannabis or cannabis products that differ in type or quantity from those listed on the shipping manifest, the licensee shall reject the portion of the shipment that is not accurately reflected on the shipping manifest."	The Department disagrees with this comment. The Department believes that the proposed regulations related to acceptance or rejection of shipments and recording transfers are appropriate.
15050	552, 621, 685, 935, 1225, 1269, 1301	Commenters suggest that subsection 15050(b) should be removed and that movements should be allowed when Metrc is down in accordance with (a) and (c).	The Department disagrees with this comment. The requirement that track and trace system be used to capture the movement of cannabis and cannabis products is required by the Act. If cannabis and cannabis products are transferred without track and trace access it can lead to diversion and prevents the ability to properly determine where the cannabis and cannabis products are in the supply chain.

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15050	653, 784, 2001, 2063	<p>Commenter suggests that distribution licensees should be allowed to continue to transport, receive and deliver cannabis goods per their normal business practice during a loss of access to Metrc, so long as a comprehensive record of all activities is maintained in accordance with subsection (a).</p> <p>In some cases, commenter asserts that the Department should communicate METRC outages or other technical issues to licensees clearly, via a dedicated status page and/or email notifications to licensees.</p>	The Department disagrees with this comment. The requirement that track and trace system be used to capture the movement of cannabis and cannabis products is required by the Act. If cannabis and cannabis products are transferred without track and trace access it can lead to diversion and prevents the ability to properly determine where the cannabis and cannabis products are in the supply chain.
15050	1874	Commenter asserts Metrc is not operable for businesses at scale and suggests holding Metrc accountable for improving system performance, resolving server timeouts and build a feature that backlogs attempted data entry and pushes jobs through once server/system errors clear	While not on the proposed action, the Department notes commenter's suggestion.
15050(b)	1290	Commenter suggest that subsection 15050(b) should be amended to exclude live plants.	The Department disagrees with this comment. The requirement that track and trace system be used to capture the movement of cannabis and cannabis products is required by the Act. If cannabis and cannabis products are transferred without track and trace access it can lead to diversion and prevents the ability to properly determine where the cannabis and cannabis products are in the supply chain.

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15051	2439	Commenter asserts the requirement to report when immature plants are moved, regardless of whether there has been any activity in those 30 days, is a death by a thousand paper cuts.	The Department disagrees with this comment. The Department does not believe it is overly burdensome to require all licensees to reconcile inventory every 30 days to ensure it is properly accounted for.
15051(d)	1643, 1741	Commenters support the proposed amendments to subsection 15051(d).	The Department agrees with this comment.
15052	64	Commenter supports the amendment to allow retailers to return products to distributors.	The Department agrees with this comment.
15052	689	Commenter asserts that if failed flower is unable to be remediated and must be destroyed, it is more efficient for this to be done by the distributor holding it in quarantine.	The Department agrees with this comment. Distributors are required to destroy failed flower if it cannot be remediated.
15052	1227, 1929	Commenters assert that the requirements concerning corrective action plans, retesting, and agreement between both parties should be removed from section 15052.	The Department disagrees with this comment. The Department believes that the proposed regulations related to returns are appropriate.
15052(a)	494, 1888, 2079	Commenters assert that licensees should be allowed to destroy cannabis and cannabis products that have been returned without the need for additional laboratory testing. Commenter suggests that subsection 15052(a)(2) should be amended to read as follows: "After being returned, cannabis and cannabis products that have been returned and that have not been destroyed shall be transported to a licensed distributor to undergo laboratory testing in accordance with chapters 2 and 6 and quality assurance review pursuant to sections 15307 and 15307.1 prior to being transported to a licensed retailer."	The Department agrees in part with this comment. Proposed subsection 15052(a) requires retesting only if the cannabis or cannabis products will reenter the supply chain.

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15052(a)(1)	495, 899	<p>Commenter asserts that requiring the same corrective action plan to be submitted and approved every time cannabis and cannabis products must be re-labeled, re-branded, and re-packaged will cause a significant slowdown in the supply chain. Commenter recommends that the Department should modify the language of subsection 15052(a)(1) to require a licensee to submit notice to Department when returned cannabis or cannabis products have been re-labeled, re-branded, or re-packaged but not products can re-enter the commercial market. Commenter asserts that, if the notice provided to Department fails to demonstrate how the returned cannabis and cannabis products are now compliant, the Department should have the authority to suspend the licensee from the commercial market and require them to await approval of the corrective action plan before re-entry.</p>	<p>The Department disagrees with this comment. The Department believes that requiring prior approval under subsection 15052(a)(1) is necessary to ensure that re-labeled, re-branded, and re-packaged cannabis and cannabis products are safe before they enter the supply chain.</p>
15052(a)(2), 15052(c)	212, 935, 1008, 1157, 1269, 1411, 1424, 1455, 1498, 1555, 1628, 1714, 1813, 1989	<p>Commenters oppose the requirement that cannabis and cannabis products that have been returned must be transported to a licensed distributor to undergo laboratory testing and quality assurance review prior to being transported to a licensed retailer</p> <p>In some cases, commenter requests clarity regarding whether the requirement imposed by subsection 15052(a) that cannabis and cannabis products which have been returned by a licensee to the originating licensee be transported to a licensed distributor to undergo laboratory testing applies to all returns, or if it is limited to</p>	<p>The Department disagrees with this comment. The Department believes that the proposed regulations regarding returns are clear and appropriate to ensure the safety of the public.</p>

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		<p>returned cannabis and cannabis products that have passed their expiration/COA date. Commenter believes that applying such a requirement to all cannabis and cannabis products returned by one licensee to another even if the COA dates have not expired will create burdensome costs to distributors without significant benefit. Commenter asserts that the requirement for laboratory testing should not apply to products that have passed COA testing, have not passed their expiration dates, and have their tamper-evident seals intact.</p> <p>In some cases, Commenter asserts that proposed subsection 15052(c) could create complications in cases where a cultivator continues to hold title to a product which is in the physical possession of a distributor. Commenter suggests that there should be a presumption that a cultivator or distributor is entitled to retake possession of products to which they hold title.</p> <p>In some cases, commenter asserts the subsection 15052(c) should be amended to specify that consent must not be unreasonably withheld by either party.</p> <p>In some cases, commenter suggests modifying language to allow retailers to return to distribution without retesting assuming the product has not been tampered with and is not expired.</p>	
15052.1	553, 622, 1228, 1396, 1588	Commenters assert that section 15052.1 should be amended to allow rejection of partial shipments	The Department disagrees with this comment. The

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		irrespective of the presence of specific circumstances.	Department believes it is necessary that shipments be rejected in whole except under the limited circumstances provided in subsection 15052.1(b) to accurately track the cannabis and cannabis products within the shipment in the system.
15052.1(b)(3)	1156	Commenter asserts that a distributor who receives a shipment of cannabis or cannabis goods with non-compliant labeling should be allowed to print compliant labeling for the shipment and deliver it to a retailer.	The Department disagrees with this comment. Distributors are not allowed to label cannabis products.
15052.1(d)	1875	Commenter asserts that the inability of an originating licensee to manage their CCTT account's product inventory that has compliantly transferred off their premises into the possession of another licensee is problematic. If the receiving license does not accept the shipment in their system, the inventory will be inaccurately reflected in the originating licensee's account, and suggests developing functionality in the system for the distribution driver to accept the electronic manifest when signing possession for it on the hard copy, or add a clock to time out the allowable acceptance window on customer's end.	While not on the proposed action, the Department notes commenter's suggestion. Licensees that have issues with other licensees closing out transfers should contact the Department for assistance.
Transport Vehicles	1266, 1298	Commenter asserts that the Department should establish a smaller class of licensed transport vehicles for sales representatives.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

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Accountability for Distributors to Pay Cultivators for Sold Product.	2029	Commenter asserts that the Department should consider creating rules of accountability for Distributors that do not pay cultivators/farmers after selling their products, within a reasonable period of time after the sale of the product. Cultivators are required to sell their products through a distributor, therefore there should be a safeguard in place to protect from this occurring, a process or rule of accountability.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15300	232, 243	Commenters suggest that licensed distributors should be allowed to process pre-rolls so that additional ingredients can be added, provided the materials are made at a licensed manufacturing facility.	No substantive amendments have been proposed to section 15300. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15300	785	<p>Commenter asserts that distributors should be allowed to provide hand sanitizer and medical literature in addition to cannabis products, accessories, and branded merchandise.</p> <p>Commenter suggests that subsection 15300 should be amended to read as follows: "In addition to cannabis and cannabis products, a licensed distributor may distribute non-cannabis products if the distributor remains in compliance with applicable state and local laws and regulations, except that licensed distributors shall not distribute alcohol or tobacco products."</p>	No substantive amendments have been proposed to section 15300. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15301, 15302	1229	Commenter asserts that the	The Department

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		<p>meaning of the terms “cannabis goods” in section 15301 is unclear.</p> <p>Commenter asserts that the definition of the term “cannabis and cannabis products” in section 15302 is unclear.</p> <p>Commenter suggests that these subsections should be amended to allow storage and distribution services for cannabis, cannabis products, nonmanufactured cannabis products, nonmanufactured cannabis goods, and cannabis goods.</p>	<p>disagrees with this comment. The Department has proposed definitions for the terms “cannabis goods” and “cannabis product” that are sufficiently clear to establish their intended meaning in sections 15301 and 15302.</p>
15301(b)	786, 2008	<p>Commenters assert that distributors should be allowed to store non-cannabis goods, except for alcohol, tobacco, and any items that are not otherwise legal.</p> <p>Commenter suggests that subsection 15301(b) should be amended to read as follows: “A licensed distributor may provide storage services to other licensees for cannabis goods packaged as they will be sold at retail, cannabis accessories, and licensees’ branded merchandise or promotional materials. A licensed distributor may also provide storage services to other licensees for non-cannabis products so long as the distributor remains in compliance with applicable state and local laws and regulations. Licensed distributors shall not store alcohol or tobacco products at any licensed premises.” In some cases, commenter asserts that it’s unclear why the Department would restrict this to products in final form, and suggests Distributors should be able to offer</p>	<p>No substantive amendments have been proposed to section 15300(b). While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.</p>

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		storage services for bulk flower as well.	
15301(e)	518, 587, 645, 747, 825, 1148, 1178, 1278, 1310, 1587, 1659, 1758, 1918, 2118, 2080, 2200	Commenters support the proposed amendments to section 15301(e).	The Department agrees with this comment.
15302(b)(1)-(6)	213	Commenter asserts that the information requested in subsection 15302(b)(1)-(6) can be found in METRC. Commenter believes that requiring licensees to list this information on a label is redundant and creates additional time and labor costs. Commenter suggests that only the batch ID or METRC ID should be required on a label.	No substantive amendments have been proposed to section 15302(b). While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15303	271, 298, 328	Commenter suggests that distributors should be allowed to label and re-label product that have already been packaged and tested. Commenter asserts that such an amendment would allow distributors and manufacturers to work together to label and re-label cannabis goods. Commenter suggests that 15303(a) be amended to read as follows: "A licensed distributor may label and re-label cannabis and cannabis products. A licensed distributor may package and re-package cannabis in the form of dried flower, including pre-rolls, for retail sale. All packages of cannabis in the form of dried flower, including pre-rolls, shall comply with the	No substantive amendments have been proposed to section 15303. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

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		requirements in chapter 11.”	
15303	847	Commenter asserts that labels should not be limited to identifying only those cannabinoids and terpenoids based on optional testing under section 15725. Commenter asserts that a manufacturer should be able to label any cannabinoids and/or terpenoids detected by a validated method and substantiated with data.	No substantive amendments have been proposed to section 15303 related to the content of labels. While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15303	2028	Commenter asserts that pre-rolls should be allowed to be COA tested after they’re rolled, but before they’re placed in final packaging.	The Department disagrees with this comment. Requiring pre-rolls to be packaged in final form for testing is consistent with requirements for other cannabis products that do not contain only plant material. Additionally, requiring packaging and labeling prior to testing reduces risk of contamination post testing.
15303, 17401(a)	59, 1614	Commenters suggest that licensees should not be required to label all cannabis and cannabis products prior to compliance testing, and should instead be required to label only what the laboratory is taking for samples and then allowed to label all other units once a passing certificate of analysis is secured.	The Department disagrees with this comment. Cannabis products are not required to be labeled with cannabinoid content prior to testing and may be labeled with the results. However, all other information on a manufactured product is appropriately required the point of production.
15303(a)	2081	Commenter asserts that distributors should be allowed to package all cannabis and cannabis products.	No substantive amendments have been proposed to section 15303(a), rather the Department has added “in

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			the form of dried flower” for consistency of terms within the regulations and clarified that packaging must comply with packaging requirements located elsewhere in the regulations for clarity. While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15303(b)	2082	Commenter asserts that due to the threat from seasonal fires, distributors should be allowed to process cannabis, as this will help cultivators.	No substantive amendments have been proposed to section 15303(b). While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15303(b)	1395	Commenter asserts that subsection 15303(b) should be amended to clearly state if distributors are not allowed to mix different categories of cannabis.	No substantive amendments have been proposed to section 15303(b). While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15306	56, 519, 588, 646, 681, 748, 804, 826, 1147, 1179, 1279,	Commenters express support for the proposed changes to section 15306.	The Department agrees with this comment.

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	1311, 1448, 1499, 1548, 1584, 1660, 1708, 1759, 1807, 2201		
15306	2166	Commenter asserts that the amendments appear to permit electronic COAs and if so, commenter expresses support to the Department for accepting electronic COAs.	The Department agrees with this comment.
15306	1859, 2037, 2265	Commenter asserts that members of the public should have access to COAs for products they purchase. In some cases, commenter suggests requiring electronic access on the manufacturers site using a QR code or other technology.	The Department agrees with this comment in part. Retailers are not prohibited from sharing testing results with consumers for cannabis goods they purchase.
15306(b), 17401(a)	1274, 1306, 1615, 2055	Commenters assert that licensees should be allowed to create variety/multi-packs of different strains or formulations of the same product type to allow consumers the option to try multiple varieties and strains. In some cases, commenter suggests that subsections 17401(a) and 15306(b) should be amended to allow limited re-packaging if each product in the variety pack is distinct, maintains its original tamper evident seals and label, and no changes have been made to any labels which would accurately reflect Regulatory Compliance Testing Results.	The Department disagrees with this comment. The Department believes that limiting the ability to repackage batches and assign new numbers is appropriate to allow the Department to efficiently track batches through the supply chain and ensure the COA for the batch is easily identified.
15306(c)	1911, 2116	Commenters express support for changes permitting electronic COAs.	The Department agrees with this comment.
15306(c)	1976, 2287	Commenters assert that this requirement is unnecessary as the	The Department disagrees with this

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		COA is posted in Metrc, which follows the batch and is readily available; and suggests modifying the language to read that "Licensees can obtain the COA in track and trace."	comment. In order to ensure all licensees responsible for the production of a batch and all licensees receiving the batch are aware of the test results the Department has determined the COA should be provided electronically.
15306(c)	67, 1616	Commenter asserts that requiring licensees to send paper copies of COAs along with cannabis products is unnecessarily wasteful. Commenter suggests allowing COAs to be transmitted electronically. In some cases, commenter asserts that subsection 15306(c) should be amended to specify that copies of the certificate of analysis may be provided electronically at the sole discretion of the distributor.	The Department agrees in part with this comment. The Department has already proposed amended language to allow the COA to be provided electronically.
15306(c)	499, 1230, 1886, 2099	Commenters assert that subsection 15306(c) is unduly burdensome, and should be amended require the distributor to provide COA to the producer upon request only. Another commenter states that the requirement should be struck as notifying the producer when a distributor is acting as broker is an unnecessary burden. Another commenter recommends removing language that "a copy of the certificate of analysis shall also be provided to the licensee that produced the batch."	The Department disagrees with this comment. Integral to a cultivator's or manufacturer's business is the ability to produce batches that will pass regulatory compliance testing. Providing a copy of the testing results allows licensees to stay informed about the quality of the batches they produce and adjust accordingly. The Department has proposed to allow this COA to be provided electronically to reduce any burden associated with providing it in printed form.
15306(f)	1976, 2288	Commenters assert that video is already required to be stored for	The Department disagrees with this

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		90 days so it unclear what proposed language is trying to achieve; commenter recommends providing more clarity as to the intention and possible solution.	comment. The additional language clarifies that licensees must provide the video surveillance of a batch being destroyed to the Department upon request.
15307	647, 1231, 1270, 1302	Commenters suggest that, in instances of distributor-to-distributor transfer, the last-mile distributor should have the ability to transfer products that fail final Quality-Assurance review to the originating distributor without prior approval of a corrective action plan. Commenters assert that such an amendment would allow the originating distributor to handle all lawful remediation or destruction of failed product in a timely manner.	The Department disagrees with this comment. In order to ensure that cannabis goods are properly remediated, the Department has determined that it is appropriate for the distributor to facilitate the approval of the corrective action plan before the cannabis goods are transported to another distributor or a manufacturer for remediation.
15307	848	Commenter asserts that, if cannabis goods are labeled with the content for cannabinoids, terpenoids, Total THC, and/or Total CBD prior to receiving the certificate of analysis for regulatory compliance testing, the licensed distributor should be required to ensure that the labeled amounts are accurate in accordance with section 15307.1 and 15303. Commenter asserts that, if cannabis goods are not labeled with the content for cannabinoids, terpenoids, Total THC, and/or Total CBD prior to receiving the certificate of analysis for regulatory compliance testing, the licensed distributor should be required to label the cannabis goods with the amounts listed on the certificate of analysis pursuant to section 15303.	No substantive amendments have been proposed to section 15307 related to the subject matter of this comment. The regulations already provide that distributors must ensure labeled amounts are accurate and if they are not labeled before receipt by the distributor, the distributor must label them with the amounts listed on the certificate of analysis.

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15307	2065	Commenter asserts that due to the delay in approval process of corrective action plans, the requirement to wait for approval of the corrective action plan prior to beginning remediation should be removed.	The Department disagrees with this comment. The Department's approval of corrective action plans depends on the completeness of the plan. In order to ensure remediation is conducted in accordance with the Act and these regulations, the Department must review and approve the plan prior to remediation.
15307.1(a)	1275, 1308	Commenters assert that it is unclear whether subsection 15307.1(a) refers to the accuracy of laboratory results or to the accuracy of product labeling. Commenters suggest that subsection 15307(a) should be amended to clarify that the allowable variance contained in this subsection applies to the accuracy of laboratory results and not to product labeling. Other commenter asks for clarity that the variance here applies to labeling under 17407.	The Department disagrees with this comment. The section makes clear that cannabis goods must be labeled with accurate results.
15307.2	60	Commenter suggests that licensees should be allowed to retest passing batches before they reach their expiration dates. Commenter asserts that dispensaries often reject products that are within 6 months of the expiration of their COA, but laboratories often reject batches that are resubmitted before 1 month of the COA expiration.	The Department disagrees with this comment. The Department has determined that 12-months is the appropriate timeframe for requiring retesting for public safety. The Department believes that whether or not a testing laboratory chooses to accept a batch for testing is a business decision for each laboratory.
15307.2(c)	1232	Commenter asserts that the requirement for a corrective action plan under section 15307.2(c)	The Department disagrees with this comment. The

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		should be struck.	Department believes it is appropriate to be consistent and require distributor to distributor transfers to follow the same requirements already enumerated in sections 15305 and 15306. This will allow the Department to be apprised of how remediation is proposed to be accomplished to ensure public safety.
15308	936, 1028, 1100, 1134, 1357, 1565, 2026	Commenters assert that the Department should exempt Distributor-Transport Only Self-Distribution licensees from being required to carry at least \$2,000,000 in general liability insurance, since these licensees are only able to carry their own products.	No substantive amendments have been proposed to section 15308 regarding the amount of general liability insurance required for distributors. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15311	1149, 1280, 1312, 1567	Commenter expresses support for revisions allowing sides of the transport vehicle to be used as walls for secured storage. Other commenters express support for section.	The Department agrees with this comment.
15311(g)	1624	Commenter asserts that licensees should be allowed to use two sidewalls, the floor, and the ceiling of a delivery vehicle to make up the secured area. Commenter suggests that subsection 15311(g) should be amended to allow the secured area to be comprised of up to 4 sides of any part of the vehicle, so long as the sides are shatterproof and are not made of glass.	The Department disagrees with this comment. The Department proposes to remove the fully enclosed cage requirement in current regulation and allow the use of three sides of the vehicle to lessen the burden on licensees, while still allowing for a secured

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			area that must be accessed to reach cannabis and cannabis product to help prevent theft.
15311(g)	2084	Commenter asserts that the definition is not clear enough – what are three sides when a box has 6, can a cage be over windows. Commenter requests to define “cannot be access from inside the vehicle” and questions how a trailer is defined as a van.	The Department disagrees with this comment. As provided, three sides may be comprised of the vehicle.
15311(g)	2027	Commenter asserts that this section should be removed, where it requires a separate locked box within a transportation vehicle, and instead allow cannabis goods to be transported directly in a locked portion of a vehicle such as a trunk. This requirement increases costs, without increasing security.	The Department disagrees with this comment. The regulation specifically calls out the trunk of a vehicle as an appropriate location.
15311(g), 15417(b)	209, 554, 623, 1484, 1521	<p>Commenters oppose the proposed definition of the term “secured area” in subsections 15311(g) and 15417(b).</p> <p>In some cases, commenters assert that requiring cannabis goods to be stored in the trunk or in a secured area as defined in the proposed language at section 15417 creates danger for delivery drivers. Commenters believe that cannabis delivery drivers can be identified and targeted by robbers as they obtain orders from the trunk, and that drivers are safer when they access orders from inside a locked vehicle. Commenters request clarification regarding whether storing cannabis in a locked case that is attached to the inside of a vehicle by a lock would satisfy this section as proposed. Commenter also</p>	The Department disagrees with this comment. The Department believes the proposed requirements related to the using the trunk or a secured area for vehicles transporting cannabis and cannabis products are appropriate to ensure the safety of the public. Drivers are not required to store cannabis and cannabis products in the trunk, but can utilize other secured areas that are accessible from inside the vehicle. The Department proposes to remove the fully enclosed cage requirement in current regulation and allow the use of three sides of the vehicle to

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		<p>requests clarity regarding whether a hatchback would meet the requirement, or if it would need a partition.</p> <p>In some cases, commenters request clarification regarding why three sides of any part of the body of the vehicle are allowed to comprise part of the secured area for delivery vehicles.</p> <p>In some cases, commenters assert that only allowing for three sides will still require cage buildouts that are costly and add unnecessary weight to transportation vehicles without providing additional security benefits.</p>	lessen the burden on licensees, while still allowing for a secured area that must be accessed to reach cannabis and cannabis product to help prevent theft.
15312	648, 682, 1568,	Commenter supports the vehicle ownership requirement for distributors.	The Department agrees with this comment.
Motor Vehicle Carrier Permit	464, 717, 1012, 1037,	Commenter opposes requirement for distributor to obtain motor vehicle carrier permit.	No substantive amendments have been proposed. The Act requires a motor vehicle carrier permit for distributors conducting transport for hire.
15314	938	Commenter asserts that the language of subsection 15314(a) should be amended to allow for the licensee initiating the transfer to generate the shipping manifest and require that the distributor conduct all the other required activities in section 15314 before conducting transportation, sales, or destruction. Commenter suggests that the term “generate” in subsection 15314(a) should be replaced with the phrase “possess and maintain.”	No substantive amendments have been proposed to section 15314. While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15315(a)	555, 624	Commenters request clarity regarding whether licensed distributor transport only licensees	The Department disagrees with this comment. The proposed

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		are only allowed to transport seeds and immature plants to licensees authorized for retail sales or if they are allowed to transport other trade samples, as long as they comply with laboratory testing requirements and other applicable trade samples regulations.	regulation clearly indicates that a distributor transport only licensee may only transport cannabis plants, seeds, and trade samples to a licensed retailer or licensed microbusiness authorized to engage in retail sales.
Retail Sales	129	Commenter believes that the ability of adult use consumers and medical patients to choose what products they want is compromised under the current regulations. Commenter suggests that retailers be allowed to utilize a deli-style retail model, which commenter asserts has been successfully implemented in Oregon.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Daily Limits for Medical Use Concentrates	1998	Commenter asserts that the plant conversion is not defined; suggests defining daily limits for medical use concentrates, and using 64 grams of concentrate which is proportional to the flower limits.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Cannabis Delivery	2332	Commenter supports proposed measures to allow cannabis deliver and also supports proposed measures to allow cannabis deliver drivers to sell merchandise and cannabis accessories.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15402	357, 364	Commenter expresses opposition to the proposed language at subsections 15402(c) and (d) which allow licensed retailers or microbusiness authorized to engage in storefront sales to conduct curbside delivery. Commenter believes that allowing curbside will expose children to	The Department disagrees with this comment. The Department has allowed curbside delivery during the Covid-19 pandemic. The Department has determined that continuing to allow this

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		cannabis transactions and to the odor of cannabis. Commenter asserts that curbside delivery makes it harder to enforce age verification, as some occupants of the car may not be 21.	increased access is appropriate while still preserving the safety and security of a licensed retail premises. The provisions concerning curbside delivery require age verification in the same way it is required for purchases within the retail area of the licensed premises. Additionally, curbside pickup must be conducted under video surveillance with the same requirements for point-of-sale areas. These provisions ensure that cannabis goods sales are done safely and do not inappropriately expose minors to the retail area of the premises. Therefore, if a consumer chooses to have minors in their vehicle, minors are exposed to transactions that are similar to those at a pharmacy.
15402	195	Commenter expresses support for proposed section 15402. Commenter asserts that the proposed language is precise and unambiguous.	The Department agrees with this comment.
15402	749, 2202	Commenters support the proposed amendments to section 15402.	The Department agrees with this comment.
15402(c)-(d)	1910, 2115, 2167, 2424	Commenters express support for permitting curbside activities.	The Department agrees with this comment.
15402(d)	1233, 1985	Commenter asserts that curbside deliveries should not be limited to customers parked in vehicles immediately outside the licensed premises. Commenter suggests that curbside deliver should be allowed for customers in areas	The Department agrees with this comment in part. The proposed regulation provides that the delivery must be made to a customer in a vehicle immediately outside of the

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		designated for curbside deliveries.	premises and take place under video surveillance. A licensee is not prohibited from designating certain areas for curbside delivery provided they meet all of the regulatory requirements.
15402(d)	2085	Commenter asserts that drive throughs and drive-ins should be allowed.	The Department disagrees with this comment. The Department has provided for curbside pickup which the Department has found to be safe and secure during the Covid-19 pandemic. The Department has determined that allowing this increased access is appropriate while still preserving the safety and security of a licensed retail premises.
15404	366	Commenter suggest that cannabis retailers and delivery businesses should be required to verify the age and identity of all retail customers using independent third-party ID verification technology. Commenter also suggests that the Department should prohibit the delivery of cannabis to colleges, universities, prisons, dormitories, youth residential facilities, and workplaces.	The Department disagrees with this comment. The Department believes the proposed regulations are sufficient to ensure that the age of all retail and delivery customers are appropriately verified by licensees. Retailers are required to verify the age and identity of all consumers prior to sale.
15407	750, 2203, 2330	Commenters support the proposed amendments to section 15407.	The Department agrees with this comment.
15407	1915, 2120	Commenters support allowing branded merchandise from any licensee, not just retailers.	The Department agrees with this comment.
15407	429, 503, 718, 809, 886, 881,	Commenters suggest that subsection 15407(b), which provides for the sale of	The Department disagrees with this comment. The

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	894, 1467, 2239	<p>prepackaged non-cannabis infused and non-alcoholic food and beverages by a licensed retailer or licensed microbusiness authorized for retail sales that operates a consumption area on the licensed premises if the applicable local jurisdiction allows such sales, be amended to strike the term "prepackaged."</p> <p>Commenter asserts that such an amendment would allow consumption lounges to prepare and serve fresh food similar to a restaurant. Commenter suggests that whether consumers are allowed to bring their own food or have food delivered to such locations should be left to the discretion of local authorities.</p>	<p>Department believes that the proposed regulations related to the sale of non-cannabis goods are appropriate to provide licensees and their consumers with flexible access to food and beverages at the consumption lounge while also removing the Department from regulatory oversight over the preparation of such items. Nothing prohibits a licensee from operating a restaurant or other establishment adjacent to the licensed premises and consumption lounge and allowing consumers to receive deliveries from the restaurant or bring food and beverages purchased at the restaurant into the consumption lounge.</p>
15407	2104, 2331	<p>Commenter asserts that the Department should consider the minimum allowance of offering the sale of non-prepackaged coffee beverages that can be made to order onsite. Commenter asserts that the Department should make allowances for the sale of and prepared food onsite if it's allowed by the local jurisdiction in an area on the lounge premises where cannabis is not processed or stored.</p>	<p>The Department disagrees with this comment. The Department believes that the proposed regulations related to the sale of non-cannabis goods are appropriate to provide licensees and their consumers with flexible access to food and beverages at the consumption lounge while also not requiring the Department to provide regulatory oversight for preparation of such items. Moreover, the proposed regulation clarifies that nothing prohibits as licensee from allowing consumers to receiving or</p>

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			bringing food and non-alcoholic beverages from restaurants to the consumption lounge in compliance with applicable local ordinances.
15407(a)	787	Commenter asserts that licensed retailers should be allowed to sell non-cannabis products, except for alcohol, tobacco, and any items that are not otherwise legal. Commenter suggests that section 15407(a) should be amended to read as follows: "In addition to cannabis goods, a licensed retailer may sell cannabis accessories and the branded merchandise of any licensee. Licensed retailers may provide customers with promotional materials. Licensed retailers may sell non-cannabis products on a licensed premises so long as the licensed retailer remains in compliance with state and local laws and regulations related to those products, but licensed retailers shall not sell alcohol or tobacco products at any licensed premises."	No substantive amendments have been proposed to section 15407(a) related to the types of items that can be sold by licensees, rather the proposed amendment simply removes the restriction that licensees can only sell their own branded merchandise. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15407(a)	1409, 1422	Commenter asserts that propose subsection 15407(a) is unclear. Commenter suggests that subsection 15407(a) should be amended to read as follows: "In addition to cannabis goods, a licensed retailer may sell cannabis accessories and the branded merchandise of any licensee, including its own. Licensed retailers may also provide customers with promotional materials."	The Department disagrees with this comment. The Department believes that the proposed language at subsection 15407(a) is sufficiently clear.
15407(a)	2168	Commenter asserts that the word "only" should be struck from this subsection, as it restricts	No substantive amendments have been proposed to section

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		commercial activity that should be allowed.	15407(a) related to the types of items that can be sold by licensees, rather the proposed amendment simply removes the restriction that licensees can only sell their own branded merchandise. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15407(b)	557, 626, 727, 788, 990, 1154, 1234, 1503, 1619, 1931, 1984, 2038, 2135, 2169, 2187, 2257	<p>Commenters assert that all types of retailers should be allowed to sell prepackaged foods, not just those who are license to allow consumption on their licensed premises.</p> <p>Commenter suggests that the phrase "that operates a consumption area on the licensed premises in accordance with Business and Professions Code section 26200(g)" should be struck from subsection 15407(b). In some cases, commenter asserts that subsection 15407(b) should be amended to add the phrase "shelf stable" before the word "prepackaged."</p>	The Department disagrees with this comment. The Department does not believe it is necessary to allow retailers who do not operate licensed consumption areas to provide prepackaged food or beverages to consumers. Retail licensees that are not authorized to have a consumption lounge are not able to allow consumption of cannabis goods on the licensed premises; thus, it does not seem necessary to allow them to sell food. As all prepackaged food must meet requirements for those items, the Department does not believe it is necessary to add the phrase "shelf stable". The Department believes that the proposed regulations related to the sale of non-cannabis goods are appropriate.
15407(b)	893	Commenter supports the	The Department agrees

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		proposed changes to subsection 15407(b).	with this comment.
15407(b)-(c)	367	Commenter objects to retailers selling prepackaged food and beverages as it creates new multipurpose or boutique environments renormalizing smoking.	The Department disagrees with this comment. Consumption areas on a retail premises are allowed when approved by a local jurisdiction pursuant to BPC §26200. The Department has determined that consuming food and beverages at such a location is appropriate.
15408	2393	Commenter asserts that 18-inch plant height at retail affects a retail nursery, and a plant cannot be told to stop growing at 18 inches tall.	The Department disagrees with this comment. There is no such license type as a retail-nursery. Nurseries are licensed cultivators that sell plants to other licensed cultivators or retailers, who may only sell immature plants to consumers. The Department has established a definition that is sufficient to adequately identify the immature plants that may be sold by a retailer to consumers from those that may be sold by a nursery to licensed cultivators.
15409	1625	Commenter asserts that the daily limits at subsection 15409(b)(1) should be amended to allow 64 grams of cannabis concentrate as defined in Business and Professions Code section 26001, including cannabis concentrate contained in cannabis products.	No amendments have been proposed to section 15409. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

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15409	233, 244	Commenter suggests that the daily limit on cannabis goods sales should be increased to address consumer demand.	No amendments have been proposed to section 15409. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15409	2170	Commenter asserts that this section is missing from the regulations and should be reinstated.	No amendments have been proposed to section 15409; thus, it has not been included in the proposed action but remains in effect. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15409, 15601	1528	Commenter asserts that daily limits should not apply at licensed temporary cannabis events.	No amendments have been proposed to section 15409, and not amendments to the daily limits for temporary cannabis events have been proposed. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15410(c)	789, 1877, 1896	Commenters assert that licensed retailers should be allowed to sell products that have been returned by their customers so long as the products are returned in the same condition as when they were sold.	No substantive amendments have been proposed to section 15410(c). While not on the proposed action the Department notes commenters' suggestion

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		In some cases, commenter suggests that subsection 15410(c) should be amended to read as follows: "A licensed retailer shall not resell cannabis goods that have been returned, except that a licensed retailer may resell cannabis goods that have been returned unopened in their original tamper-evident packaging."	and looks forward to working with stakeholders on the development of policies for future rulemakings.
15411	383	Commenter suggests that the Department should provide additional guidance regarding when a medicinal cannabis patient can be appropriately categorized as someone having difficulty accessing cannabis goods under subsection 15411(b). Commenter asserts that subsection 15411(c) is excessively vague and does not appear to be restricted to medical use. Commenter suggests that medical use product donations should be limited to registered medical patients. Commenter also asserts that retailers should be prohibited from honoring discounts or redeeming coupons to allow the purchase of a cannabis product for less than full price.	The Department disagrees with this comment. The Department believes that proposed subsection 15411 provides sufficient guidance regarding when licensees who hold M-Retailer licenses, M-Retailer Non-storefront licenses, or M-Microbusiness licenses authorized for retail sales may provide free medicinal cannabis goods. The Department believes this section includes adequate safeguards to verify referrals for medicinal cannabis patient that do not possess valid identification cards issued under Health and Safety Code section 11362.7. The Department does not believe it is necessary to prohibit retailers from providing discounts.
15411	2086	Commenter asserts that patients should be able to apply for MMIC cards online and they should last for at least two years rather than expiring every year.	The Department disagrees with this comment. The Department does not regulate medical marijuana cards.
15411	2170	Commenter asserts that the Department should clarify that a	The Department disagrees with this

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		patient whose limits exceed the express numbers authorized by Health and Safety Code 11362.77 is entitled to purchase from a retailer that amount they are permitted to possess pursuant to the same. Lack of this language places retailers in a position of uncertainty when dealing with software providers and potential regulatory compliance actions.	comment. As specified in section 15409(c), a medicinal cannabis patient whose valid physician's recommendation provides for more than the daily limits may purchase an amount consistent with the patient's needs as documented on the recommendation.
15411	2306	Commenter asserts this section is deeply concerning and an attorney should review to ensure that a patient's privacy rights are not violated. Commenter asserts that while the Department may not be a covered entity per HIPAA that has rights to patient information required in this section.	The Department disagrees with this comment. The Health Insurance Portability and Accountability Act does not apply to licensed cannabis retailers. Further, this section is consistent with the Act and contains the requirements specified by the legislature in SB 34.
15411(a)	1158	Commenter asserts that subsection 15411(a) is overly burdensome and should be struck.	The Department disagrees with this comment. The Act explicitly prohibits the provision of free cannabis goods to consumers except in cases of medicinal donations. Subsection (a) prohibits retailers from providing free cannabis goods and from allowing others to provide free cannabis goods. Subsection (a) is merely a restatement of a requirement contained in the Act. Exemptions for medicinal donations are provided in subsection (b).
15411(b)	83, 84, 90, 91, 105, 124, 134, 558, 627,	Commenters assert that the requirements for verifying and certifying verification of physician's recommendations as	The Department disagrees with this comment. The mandated measures were

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	728, 883, 940, 956, 1236, 1410, 1423, 1583, 1860, 2188	<p>specified in subsection 15411(b) are incredibly burdensome to retailers and will negatively impact patients.</p> <p>In some cases, commenter suggests that the regulations should specify that verification of doctor's licenses can be done through the state website.</p> <p>In some cases, commenter asserts that licensees should only be required to re-verify a physician's recommendation when the patient is attempting to procure cannabis or cannabis products at the licensee's retail location.</p> <p>In some cases, commenters suggest striking section (b)(2), (b)(3), and the second sentence of (b)(9)</p>	established by SB 34. The amendments suggested by commenters would require a legislative change.
15411(b)	882	Commenter suggests that adult-use licensees should be allowed to participate in compassion programs if they wish to donate goods for use at an M-Retailer's compassion program.	The Department agrees with this comment. All licensees, regardless of designation, may donate cannabis goods for use at an M-Retailer's compassion program.
15413	2087	Commenter asserts that requiring child resistant packaging for raw flower cannabis goods significantly increases the negative environmental impacts from packing made of plastics or other environmentally problematic materials. Since raw cannabis products do not induce a psychoactive effect without being combusted. The risk to children is minor compared with other cannabis products such as edibles. Commenter recommends at minimum removing the child resistant packaging requirement	No amendments have been proposed to section 15413 related to the requirement for child proof packaging. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

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		for raw cannabis products, and at most requiring that such products must be placed into a reusable child resistant exit bag.	
15415	349, 2088, 2271	<p>Commenter asserts that delivery employees should only have to return to the premises after their shift if they have cannabis goods that were not delivered during their shift.</p> <p>In some cases, commenter suggests that subsection 15415(d) should be amended to read as follows: "Deliveries of cannabis goods shall be received by customers only during the hours of operation established by section 15403. The process of delivering ends when the delivery employee has no more active delivery orders and cannabis goods in their inventory as indicated on the delivery inventory ledger."</p> <p>In some cases, commenter suggests: Deliveries of cannabis goods shall be received by customers only during the hours of operation established by section 15403. Only if the Delivery employees have remaining product at the end of their shift shall they return to the licensed premises.</p>	The Department agrees with this comment in part. The Department has amended the text to allow the suggested change.
15415(d)	14, 386, 559, 628, 729, 957, 991, 1504, 1932, 2039, 2136, 2189	<p>Commenters believe the proposed amendments to section 15415 will make it easier for licensees to follow the rules regarding hours of operation.</p> <p>In some cases, commenter suggests an additional amendment to allow delivery drivers who are no longer in possession of cannabis to end their shifts without returning to a</p>	The Department agrees with this comment. This subsection has been revised to only require a delivery employee to return to the licensed premises if they have any unsold cannabis goods to return to the premises.

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		licensed facility. Commenter asserts that applying the suggested change would reduce drive time without compromising safety or risking diversion.	
15415.1	679	Commenter suggests that subsection 15415.1(b)(2) should be amended to clarify that a technology platform service provider must be disclosed as a “financial interest” if any contract consideration is derived from a Licensee’s profits or a percentage or portion of any cannabis goods sales.	The Department disagrees with this comment. Applicants and licensees must disclose their financial interest holders in accordance with section 15004. Inclusion of financial interest disclosure requirements here would be duplicative and unnecessary.
15417	1994, 2307	Commenters assert that requiring cannabis to be stored in the trunk makes delivery less safe for drivers and suggests allowing delivery orders to be stored in the cab of the vehicle.	The Department disagrees with this comment. The proposed amendments do not mandate that cannabis goods be stored in the trunk. The proposed section allows for storage in a fully enclosed trunk which cannot be accessed from inside the vehicle, or in a secured area within the inside body or compartment of a vehicle.
15417	2090	Commenter asserts that delivery vehicles should have dual dash cams recording both outside and inside the vehicle. Commenter provides examples of various dual dash cams.	The Department disagrees with this comment. Licensees may choose to utilize dash cams in their delivery vehicles; however, based on its experience, the Department does not believe it is necessary to add this requirement.
15417(b)	15, 387, 1502, 2423	Commenters strongly support the proposed amendments to section 15417(b). Commenter believes the proposed amendments will maintain safety and reduce costs to licensees while alleviating the	The Department agrees with this comment.

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		difficulty associated with moving secured containers between driver-owned delivery vehicles.	
15417(b)	2089	Commenter asserts that the definition is not clear enough – what are three sides when a box has six, can a cage be over windows. Commenter requests to define “cannot be access from inside the vehicle” and questions how a trailer is defined as a van.	The Department disagrees with this comment. As provided in the regulation, up to three sides of the secured area may be comprised of any part of the body of the vehicle. As stated in the section, the parts of the vehicle used must be shatterproof and not made of glass, thus, a cage over a window would not be compliant. The Department believes that the language stating that the cannabis good cannot be accessed from inside the vehicle is sufficiently clear. The Department has not proposed to define a trailer as a van as suggested by the commenter.
15417(d)-(f)	442, 475	Commenter asserts that subsections 15417(d) and (f) should be amended to require compliance with local regulators.	The Department disagrees with this comment. The Department’s regulation sets out its requirements for state licensees. Licensees are already required to comply with all requirements established by their local jurisdiction, in addition to state requirements.
15418	191, 309, 339, 430, 673, 1645, 1743, 1951	Commenters suggest that subsection 15418(a) should not be amended to raise the limit for the value of goods that can be carried by a delivery employee in the delivery vehicle from \$5,000 to \$10,000.	The Department disagrees with this comment. The Department believes that all qualified adults are allowed to participate in the commercial cannabis market. The Department

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		<p>In some cases, commenter asserts that a permanent resident or undocumented resident driving a delivery vehicle with \$10,000 worth of cannabis would be subject to immediate deportation if stopped in a jurisdiction that does not allow the sale of cannabis.</p> <p>In some cases, commenter asserts that increasing the limit to \$10,000 will result in significant threats to public safety such as robberies and assaults on delivery drivers.</p> <p>In some cases, commenter asserts that such an increase is a risk to workers and must be accompanied by an increase in worker protections.</p>	<p>does not believe that immigration status is a relevant consideration for determining the appropriate amount of cannabis goods that can be carried in a delivery vehicle. The Department has determined that, based on its experience, the increase in maximum amount of cannabis goods will likely not result in a substantial increase in theft or an increased risk to public safety. Moreover, licensees are not required to carry a specific amount of cannabis goods and can choose to carry cannabis goods valuing less than \$10,000. The Department also has delivery vehicle requirements that require cannabis goods be in a secure compartment to prevent theft and increase safety. Therefore, the Department does not find it necessary to include additional protections within the proposed regulation.</p>
15418	1071	<p>Commenter asserts that there should be no limit on the number of live plants that can be carried in a delivery vehicle.</p>	<p>The Department disagrees with this comment. The Department sets a value limit on the cannabis goods that may be carried in a delivery vehicle for public safety reasons. Live plants are appropriately treated the same as all other cannabis goods offered for sale via delivery.</p>
15418	1470	<p>Commenter asserts that allowing</p>	<p>The Department</p>

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		delivery vehicles to carry more product without pre-orders will hinder local economies trying to collect taxes. Commenter asserts that the Department should create new regulations with mechanisms to assist local jurisdictions in identifying captured taxes owed.	disagrees with this comment. The Department does not have the authority to establish taxes. However, all retail licensees are required to account for all cannabis goods sold.
15418	1042	Commenter asserts that delivery licensees should be required to receive and process an order for a certain portion of the cannabis in the delivery vehicle prior to the delivery vehicle departing from the delivery premises.	The Department disagrees with this comment. The Department has found that it is not necessary to continue the requirement for a portion of cannabis goods in the delivery vehicle to be pre-ordered. The Department has found that licensees may effectively and safely determine an appropriate amount of cannabis goods, up to \$10,000, that may be in a vehicle without an order.
15418(a)	210	Commenter requests clarification regarding whether this subsection allows delivery drivers to carry any combination of sold and unsold cannabis products if the total value does not exceed \$10,000. Commenter also requests clarity regarding which limits will control if a city authority has designated different limits.	The Department agrees with this comment. The Department has proposed amendments to eliminate the requirement related to unsold cannabis goods and has increased the allowable value of cannabis goods permitted to be in the delivery vehicle to \$10,000. Licensees must also comply with license requirements imposed by their local jurisdiction.
15418(a)	813	Commenter suggests that subsection 15418(a) should be amended to increase the limit for the value of cannabis goods that can be carried by a delivery driver from \$10,000 to \$15,000.	The Department disagrees with this comment. The Department believes that the proposed requirements are appropriate to facilitate

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			delivery services while adequately protecting the public.
15418(a)	16, 57, 62, 388, 1143, 1505, 1585, 1920, 2125, 2425	Commenters strongly support the proposed amendments to subsection 15418(a). Commenter believes that implementing a single unified limit of \$10,000 makes it easier for licensees to understand and follow the rules.	The Department agrees with this comment.
15418(a)	2091	Commenter asserts that increasing the limit of cannabis goods carried during delivery should also include increasing security requirements, such as dash cams. Commenter also requests the Department reconsider allowing any unordered products to be carried by delivery drivers.	The Department disagrees with this comment. The Department disagrees with this comment. Licensees may choose to utilize dash cams in their delivery vehicles; however, based on its experience, the Department does not believe it is necessary to add this requirement. The Department has found that it is not necessary to continue the requirement for a portion of cannabis goods in the delivery vehicle to be pre-ordered. The Department has found that licensees may effectively and safely determine an appropriate amount of cannabis goods, up to \$10,000, that may be in a vehicle without an order.
15418(c)	751, 1506, 2204	Commenters support proposed subsection 15418(c), which allows a delivery employee to carry cannabis accessories and other branded merchandise.	The Department agrees with this comment.
15418(d)	2092	Commenter asserts that if the Department were to reconsider the allowance of delivery employees carrying unordered products, it would be necessary to	The Department disagrees with this comment. The Department has found that it is not necessary to

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		state that the driver may not leave the licensed premises until an order has been received and processed.	continue the requirement for a portion of cannabis goods in the delivery vehicle to be pre-ordered. The Department has found that licensees may effectively and safely determine an appropriate amount of cannabis goods, up to \$10,000, that may be in a vehicle without an order.
15418(i)	2093	Commenter asserts that if the Department were to reconsider the allowance of delivery employees carrying unordered products, there would be no need for drivers to return to the licensed premises if no delivery has been performed for a 30-minute period.	The Department disagrees with this comment. While licensees need not have an order prior to leaving the retail premises, delivery employees are not permitted to drive around without orders being placed for more than 30 minutes, a requirement that the Department has not proposed amendments to for public safety and to prevent mobile retailers. The Department has found that it is not necessary to continue the requirement for a portion of cannabis goods in the delivery vehicle to be pre-ordered. The Department has found that licensees may effectively and safely determine an appropriate amount of cannabis goods, up to \$10,000, that may be in a vehicle without an order.
15420	443, 476	Commenters assert that section 15420 should be amended to clarify that the delivery regulations do not allow licensees to utilize an “ice cream truck” model and must receive delivery requests in	The Department disagrees with this comment. While licensees need not have an order prior to leaving the retail premises, delivery

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		advance.	employees are not permitted to drive around without orders being placed for more than 30 minutes, a requirement that the Department has not proposed amendments to for public safety and to prevent mobile retailers. The Department has found that it is not necessary to continue the requirement for a portion of cannabis goods in the delivery vehicle to be pre-ordered. The Department has found that licensees may effectively and safely determine an appropriate amount of cannabis goods, up to \$10,000, that may be in a vehicle without an order.
15420(a)(1)	17, 389	Commenter strongly supports the proposed amendments to section 15420(a)(1). Commenter believes that concealing the addresses of licensed retailers helps protect their facilities from being targeted for burglary.	The Department agrees with this comment.
15421	661, 2009	Commenter asserts that employees of delivery licensees should be clearly authorized to deviate from their prescribed delivery path due to legitimate concerns for safety and security of themselves and/or their cargo. Commenter believes that such deviations should be clearly noted in the state track-and-trace system as soon as possible.	No substantive amendments have been proposed to section 15421. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15427(a)	560, 629, 730, 815, 1237,	Commenter assert that it is unclear why transfers between licensed retailers who do not	The Department disagrees with this comment. The

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	1627, 1930, 2134,	<p>share any common ownership should be banned.</p> <p>In some cases, commenter requests to strike the requirement that retailer-to-retailer transfers be limited to only licenses held by the same sole proprietor or business entity. Commenter believes that there would be no confusion over which license holds and is responsible for inventory because all such transfers are required to be recorded in track and trace.</p> <p>In some cases, commenter suggests that subsection 15427(a) should be amended to include retailers owned by different business entities if those entities are held by the same owner.</p>	<p>amendment to this section simply clarifies the prior language of “same ownership” to address confusion by licensees. The proposed amendment does not change the substantive requirement. The Department believes that it is appropriate to limit transfers to licenses owner by the same person or entity to allow businesses flexibility in operations amongst their licensed locations, while not allowing retail to retail sales between licensees.</p>
Microbusinesses Generally	985	Commenter suggests that the Department should streamline access to microbusinesses and vertical integration for rural, off-grid farms who cannot feasibly follow the Department’s regulations.	While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Microbusinesses Generally	2317	Commenter asserts that the microbusiness was meant for the small farmers but lawyers in cubicles did not follow through with that interpretation.	While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Cottage Microbusiness License	2318	Commenter asserts there is nothing micro about the microbusiness, and suggests a cottage microbusiness license that gives carve-outs and special advantages due to scale for small farmers.	While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15500	1471	Commenter asserts that	No substantive

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		microbusiness licenses should be limited to small local operators and social equity operators.	amendments have been proposed to section 15500 related to the requirements to hold a microbusiness license. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15500	2294	Commenter asserts that a microbusiness that wants to not be a microbusiness anymore and just conduct a single cannabis activity must submit an entirely new application even though the only change is remove two licenses types.	The Department disagrees in part with this comment. A microbusiness license is distinct from a single cannabis activity license and therefore will generally require a new application. However, the Department may on a case-by-case basis work with licensees to limit the information that must be provided for the single activity license, when the same information has already been provided by the microbusiness.
15500	633, 2312	Commenter asserts that a smaller scale cultivator (suggest under 1.5 acres of total canopy) on a single site be allowed to check a box on their application or renewal to have a low cost "upgrade" to their license that would allow for, Low impact microbusinesses (EG: ice water hash, pressing rosin, small batch infusing of butter/cooking oils into edibles and beauty products); Direct to consumer sales with a micro non storefront retail; Onsite consumption for cannabis tourism, education, and promotion.	The Department disagrees with this comment. The Act establishes the parameters and commercial cannabis activities to be performed under a microbusiness license. The Act does not permit direct sales by a cultivator or cannabis tourism.

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15500(a)	1238, 2180, 2181	Commenter asserts that subsection 15500(a) should be amended to allow all license types as qualifying activities so long as at least three activities fall within a different supply chain area.	The Department disagrees with this comment. The Department believes that the proposed regulations related to microbusinesses are appropriate and align with the definition of the activities that may be conducted by microbusinesses contained in the Act.
15500(a)	1569	Commenter supports the proposed amendments to subsection 15500(a).	The Department agrees with this comment.
15500(j)	941, 1026, 1562	Commenter asserts that the requirement for a wall that separates retail and non-retail areas of microbusiness premises is unnecessary for non-storefront retail premises.	The Department disagrees with this comment. The Department believes that the wall separation should be required for all microbusiness licenses for consistency.
15600-15604	2467	Commenter asserts they are proposing to eliminate free samples to event organizers, so small boutiques would be required to buy samples.	The Department disagrees with this comment in part. Event organizers are not permitted to provide samples or hold samples of cannabis and cannabis products.
15600-15604	2468	Commenter asserts that licensees are responsible for security at events, however, if there is no access to actually touch the plant and don't have access to Metrc, there is no ability to secure the safety of the products, and dependence for these measures is on retailers.	The Department disagrees with this comment. Licensees participating in an event are responsible for ensuring the safety and security of their cannabis and cannabis products whether such items are offered for sale by a retailer or are merely being displayed by a non-retail licensee.
15601	368	Commenter asserts that that section 15601 allows cannabis	No substantive amendments have been

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		promotion at community events, concerts, or county fairs, which commenter believes contradicts the statutory prohibition on smoking marijuana in a location where smoking tobacco is prohibited.	proposed to section 15601 related to the location of cannabis events. The requirements for locations where cannabis events may be held are contained in the Act.
15601	2171	Commenter asserts that this section indicates temporary cannabis events cannot be held at restaurants, wineries, breweries, even if the operator does not serve alcohol or the owner suspends its license. Commenter suggests adding: “unless the event operator does not sell alcohol or the premises owner suspends its liquor license.”	No substantive amendments have been proposed to section 15601 related to the location of cannabis events. The requirements for locations where cannabis events may be held are contained in the Act. The Department cannot issue an event license for a premises that is licensed to serve alcohol; however, the Department of Alcoholic Beverage Control may allow the proposed premises may temporarily surrender its alcohol license in order to be licensed for a temporary cannabis event.
15601(g)	1525	Commenter suggests that a temporary cannabis event applicant should not be required to submit a licensee notification and request form to the Department if the list of licensees and employees participating in the temporary cannabis event changes after the application is submitted or after the license is issued. Commenter asserts that employees have last-minute circumstances that cannot be predicted.	The Department disagrees with this comment. The proposed amendment requires the form be submitted if the participating licensees or vendors change, but does not require a list of employees participating in the event. The Department believes that proposed subsection 15601(g) is necessary to ensure that all licensees and vendors can be identified by the Department, as necessary to ensure compliance.

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15601(h)	1526	Commenter asserts that the security requirements for temporary cannabis events should be scaled to accommodate smaller events.	No substantive amendments have been proposed to section 15601(h). While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings. The Department disagrees with this comment.
15601(n)	942	Commenter asks for clarity on whether the limited access area will also be accessible by other vendors for storage of cannabis goods during the event.	The Department disagrees with this comment. As stated in the section the limited access area is to be accessed only by the licensee and the Department.
15602(o)	384	Commenter asserts that subsection 15602(o), which authorizes the provision of free cannabis goods at temporary cannabis events if compliant with the conditions of section 15411, is ripe for abuse and suggests that it should be deleted.	No substantive amendments have been proposed to section 15602(a). While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15603.1	58, 1922, 2127, 2172	Commenter strongly supports the proposed provisions related to cannabis events, especially the provisions allowing non-retailers to display their products.	The Department agrees with this comment.
15603.1	752, 827, 1180, 2094, 2205	Commenter supports the proposed amendments to section 15603.1.	The Department agrees with this comment.
15603.1	2021	Commenter asserts that clarification is needed for a process by which individuals and licensees may possess personal use quantities of cannabis at	The Department disagrees with this comment in part. The Department allows all licensees to participate

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		licensed cannabis events which are displayed, but not sold to, consumers. Additionally, small farmers need statutory changes through the California legislature that would allow small producers to obtain temporary retail licenses to sell directly to consumers at licensed cannabis events.	and display a limited amount of cannabis and cannabis products. However, the Department cannot allow for cultivators to sell directly to consumers as the Act only permits sales by retailers and authorized microbusinesses.
15603.1	1986	Commenter asserts that this section sets arbitrary limits of 3x an individual's daily allowance, which is confusing and unnecessary, and suggests alignment with %5 of total for combined discrepancies/trade samples/event displays to prevent unnecessary confusion.	The Department disagrees with this comment. The Department has established limits that will allow a licensee to sufficiently display their cannabis and cannabis products.
15603.1(a)	444, 477	<p>Commenter asserts that subsection 15603.1(a)(2) should be amended to clarify that non-retail licensee cannot provide products to consumers for their consumption.</p> <p>Commenter suggests that subsection 15603(a)(2) be amended to read as follows: "Cannabis or cannabis products may be displayed to attendees of the event for inspection and educational purposes only in accordance with subsections (b) and (c) of section 15405."</p>	The Department disagrees with this comment. The Department believes it is clear from the language of the proposed regulations that subsection 15603.1(a) refers specifically to the display of cannabis and cannabis products, and that this subsection allows non-retail licensees to provide products to consumers to be inspected for educational purposes, not to sell or give cannabis or cannabis products away.
15603.1(a)(1)	1040	Commenter asserts that 85.5 grams of non-concentrated cannabis is not enough for presentation.	The Department disagrees with this comment. The Department believes that the proposed regulations related to participation in temporary cannabis events by non-retail licensees are appropriate based on the legal

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			personal possession limits.
15603.1(a)(1)	1041, 1560	Commenter asserts that the limit of 21 seeds seems arbitrary.	The Department disagrees with this comment. The Department believes that the proposed regulations related to participation in temporary cannabis events by non-retail licensees are appropriate to allow for a meaningful display.
15603.1(a)(3)	958	Commenter asserts that the relevant limitation from Health and Safety Code section 11362.1 should be listed out in proposed section 15603.1(a)(3).	The Department disagrees with this comment. The Department does not believe it is necessary to restate statutory provision in this section.
15604	369	Commenter suggests that all events where cannabis businesses are advertising or promoting their products be subject to the same permitting and age restrictions as any other temporary cannabis event.	The Department disagrees with this comment. The Department does not believe it is necessary to extend the regulations that apply to that sale and consumption of cannabis to advertising or promotion. The Department believes the statutory provisions and proposed regulations related to advertising and promotion are sufficient to protect the public.
Laboratory Testing	25	Commenter recommends for future consideration utilizing standards adopted by the American Society for Testing and Materials, International, and refers to their Committee D37 on cannabis as a resource.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
General Testing	2421	Commenter asserts it would be a great benefit to smaller businesses to be able to have a	While not on the proposed action the Department notes commenters'

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		testing for pesticides and heavy metals and other contaminants be work for both all the strains that are grown the same way.	suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Testing Laboratories	280, 307, 337	Commenter suggests that cannabis testing laboratories should be assessed and accredited through the State Water Resources Boards' Environmental Laboratory Accreditation Program (ELAP) rather than licensed by the Department.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Testing Laboratory Regulations Generally	1172, 1174	<p>Commenter asserts that two sections should be added to chapter 6, and that the section should read as follows: "For the purposes of shiga toxin-producing E. coli and Salmonella species detection, testing shall be performed using an AOAC certified validated qPCR method using cannabis or cannabis infused product material that has been enriched in a medium that supports the growth of fungi for a minimum of 16 hours.</p> <p>For the purposes of Aspergillus speciation, testing shall be performed using an AOAC certified validated qPCR method using cannabis or cannabis infused product material that has been enriched in a medium that supports the growth of fungi for a minimum of 16 hours."</p>	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
License to Create Reference Materials	2412	Commenter asserts there is clarification needed on a license to create reference materials for the labs to keep with the variances from testing.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Appeal of	1029, 1591	Commenter asserts that licensees	While not on the proposed

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Test Results		should be allowed to appeal COA results based on demonstrated laboratory error.	action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Potency Range	1069, 1590	Commenter asserts that the Department should allow licensees to label cannabis and cannabis products with a range of potency for THC and CBD content rather than requiring an exact number.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Compositing Testing	2016	Commenter asserts that the Department should introduce compositing regulations for testing. The cost of testing our small batches of flower is financially prohibitive. "Compositing" rules would allow farmers to test multiple strains collectively for contaminants up to the fifty-pound maximum batch size limit, and significantly decrease testing costs without affecting quality standards.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Site Specific Sampling and General Sampling Requirements	2308	Commenter asserts that for each site, a sampling be created that's site specific upon arrival. This allows for the most accurate randomly created samples and to reduce any potential confusion and to reduce variance. When sampling a batch, the sampler shall check for any signs of non-uniformity. During sampling, the sampler shall look for differences, such as color, shape, size, and treatment. The sampler shall note any anomalies and document this by photos. Sample increments should be randomly selected from different locations within a container or set of containers.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15700	860	Commenter states the regulations	While not on the proposed

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		do not include a definition (formula) used to calculate total cannabinoids. Commenter recommends that a total cannabinoid formula be developed that does not include a decarboxylation rate for the acidic isomers of the THC and CBD analogs.	action, the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15700	1045	Commenter asserts that the Department should define the term "total cannabinoids."	The Department disagrees with this comment. The Department believes that the provisions related to the calculation of total cannabinoids are sufficiently clear.
15700(oo)	861	Commenter suggests that the Department should update the definitions section of the rule set to differentiate between the concepts of a "method (laboratory reagent) blank" and a "matrix blank." Commenter suggests that the Department should issue a list of appropriate matrix blank materials for all compliance tests. Commenter suggests that the Department should allow laboratories to perform method blank subtraction when analyzing recovery values of lab fortified material.	No substantive amendments have been proposed to the definitions of method blank or matrix in section 15700, rather it has been renumbered due to amendments related to other definitions. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15700(eee)	468, 1389, 1400	Commenters suggest that the definition of the term "representative sample" should be amended to indicate that the representative sample of a pre-roll or vape cartridge is the emissions of those products and not solely the cannabis or cannabis concentrate that is within the pre-roll and cartridge, respectfully.	No substantive amendments have been proposed to the definition of representative sample in section 15700(eee), rather it has been amended to ensure consistency in the terminology used throughout the regulations. While not on the proposed action the Department notes

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			commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15705	731, 805, 828, 2040, 2173	Commenters assert that transfers should be allowed between labs in the event of interruption in service or equipment failure.	No substantive amendments have been proposed to section 15705, rather it has been amended to ensure consistency in the terminology used throughout the regulations and to update an email address. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15705	226	Commenter suggests that licensees should be allowed to have flower, concentrates, edibles, and vapes tested in bulk finished batches prior to product assembly rather than in their final form. Commenter asserts that the packaging has no effect on the composition of the product. Commenter believes that testing products in bulk will assure the same level of consumer safety as testing products in their final form while preventing excessive waste and labor costs associated with the destruction of failed products that have been packaged.	No substantive amendments have been proposed to the definition of representative sample in section 157000(eee), rather it has been amended to ensure consistency in the terminology used throughout the regulations. The requirement that all testing of samples be performed on the final form in which the cannabis or cannabis product will be consumed or used is statutorily mandated by BPC section 26100. Any change to this requirement would require legislative action.
15705	237, 1152,	Commenter suggest that	No substantive

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	1614,	licensees should be allowed to have flower, concentrates, edibles, and vapes tested in bulk finished batches prior to product assembly rather than in their final form. Commenter asserts that the packaging has no effect on the composition of the product. Commenter believes that testing products in bulk will assure the same level of consumer safety as testing products in their final form while preventing excessive waste and labor costs associated with the destruction of failed products that have been packaged.	amendments have been proposed to section 15705, rather it has been amended to ensure consistency in the terminology used throughout the regulations and to update an email address. The requirement that all testing of samples be performed on the final form in which the cannabis or cannabis product will be consumed or used is statutorily mandated under Business and Professions Code section 26100. Removal of this provision would require legislative action.
15706	884	Commenter asserts that section 15706 should be amended to include language which allows cannabis laboratories to add or modify existing chain of custody rules to accommodate samples submitted by law enforcement.	No substantive amendments have been proposed to section 15706, rather it has been amended to ensure consistency in the terminology used throughout the regulations and to update an email address. The chain of custody form provided for regulatory compliance testing of licensed cannabis and cannabis product samples is not meant to be used for other testing. Licensees are free to develop chain of custody forms for their use in testing items for law enforcement.
15707	235, 246	Commenters suggest that the size of harvest testing batches be increased from 50lbs to 300lbs. Commenter asserts that such an amendment would reduce the redundancy of testing multiple batches from an identical harvest.	No amendments have been proposed to section 15707. While not on the proposed action the Department notes commenters' suggestion and looks forward to

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			working with stakeholders on the development of policies for future rulemakings.
15709	753, 806, 829, 1281, 1313	Commenters support the proposed amendments to section 15709.	The Department agrees with this comment.
15709	2174	Commenter supports the proposed amendment to remove affixed lockboxes for laboratory transport.	The Department agrees with this comment.
15709	1921, 2126	Commenters support proposed clarity and amendments related to transport vehicle requirements.	The Department agrees with this comment.
15713	790	Commenter asserts that laboratories should not be allowed to develop their own unique testing methods. Commenter asserts that subsection 15713(a) should be struck.	No substantive amendments have been proposed to section 15713, rather it has been amended to ensure consistency in the terminology used throughout the regulations and to update the notification form incorporated by reference. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15713	732, 2041	<p>Commenter asserts that the Department should establish a state reference laboratory to randomly re-test samples to confirm the accuracy of COAs.</p> <p>In some cases, commenter suggests alternative of establishing standards for the way products are allowed to be tested.</p>	No substantive amendments have been proposed to section 15713, rather it has been amended to ensure consistency in the terminology used throughout the regulations and to update the notification form incorporated by reference. The Department already has the authority to perform such testing by its

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			testing laboratory. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15714	467, 1388, 1399	Commenter asserts that terpenoids have been proven to provide medicinal benefits similar to cannabinoids. Commenter suggests that terpenoids should be a mandatory regulatory compliance method for laboratory testing. Commenter believes that such a requirement would allow the consumer to have a full understanding of the contents in their products. Commenter also suggest that any inhalable product should have their emissions tested to account for the ratio of terpenes that are aerosolized intact versus the terpenes that are thermally degraded into potentially harmful products.	No substantive amendments have been proposed to section 15714, rather it has been amended to ensure consistency in the terminology used throughout the regulations. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15717, 15718, 15719, 15720, 15721, 15723, 15724	859	Commenter suggests that the Department should require that minimum analytical testing portions be defined during the method validation process.	No substantive amendments have been proposed to sections 15717-15724 related to the method validation process, rather it has been amended to ensure consistency in the terminology used throughout the regulations, to add a cross reference, and to update the percentage for label claim accuracy to comply with statute. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders

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			on the development of policies for future rulemakings.
15718	846	Commenter asserts that a Quality Plan/Risk Assessment should identify if and where additional testing for solvent residues is required to control this chemical hazard in the supply chain to the cannabis good. Commenter suggests that residual solvent testing of cannabis products should be optional to validate the effectiveness of preventative controls in a quality plan.	No substantive amendments have been proposed to section 15718, rather it has been amended to ensure consistency in the terminology used throughout the regulations. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15719	855, 1589	Commenter asserts that there are currently no thresholds for category 1 pesticides. Commenter recommends that the Department implement and standardize action limits for all required residual pesticides regardless of pesticide categorization.	No substantive amendments have been proposed to section 15719, rather it has been amended to ensure consistency in the terminology used throughout the regulations. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15719	841	Commenter believes it is redundant and inappropriate for regulations to require that cannabis products be tested against the CA pesticide tolerances for cannabis crops because cannabis products have the potential to contain ingredients derived from crops other than	No substantive amendments have been proposed to section 15719, rather it has been amended to ensure consistency in the terminology used throughout the regulations. While not on

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		cannabis. Commenter asserts that cannabis products should be removed from the scope of this section 15719 and a Quality Plan/Risk Assessment should identify if and where additional pesticide testing is required to control this chemical hazard in the remaining supply chain. Commenter asserts that the Department should require finished multi-ingredient cannabis product to comply with CA pesticide tolerances for cannabis crops.	the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15719(d)(1)(2)	1982	Commenter asserts that there is explicit and consistent definition of LOD and it is not uniform, and suggests the Action Level for Category I pesticides should be based on standardized, defined value, and not LOD.	No substantive amendments have been proposed to section 15719, rather it has been amended to ensure consistency in the terminology used throughout the regulations. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15719(d)(1)(2)	1983	Commenter asserts that current action limits are not based on known health or toxicological risks of cannabis products, and suggests actions limits should be based by product skew and modes of delivery, not the EPA model for food for all the different types of cannabis products that exist in different forms of consumption.	No substantive amendments have been proposed to section 15719, rather it has been amended to ensure consistency in the terminology used throughout the regulations. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future

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			rulemakings.
15720	844	Commenter asserts that it is redundant for regulations to require that a cannabis product be tested for microbiological contamination. Commenter suggests that cannabis products should be removed from the scope of section 15720.	No substantive amendments have been proposed to section 15720, rather it has been amended to ensure consistency in the terminology used throughout the regulations. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15722	845	Commenter asserts that it is redundant for regulations to require that cannabis or cannabis product be tested for foreign material contamination. Commenter suggests that foreign material testing of cannabis or cannabis product should be optional to validate the effectiveness of preventative controls in a quality plan.	No substantive amendments have been proposed to section 15722, rather it has been amended to ensure consistency in the terminology used throughout the regulations. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15723	843	Commenter asserts that it is redundant for regulations to require that a cannabis product be tested for heavy metals. Commenter suggests that cannabis products should be removed from the scope of section 15723.	No substantive amendments have been proposed to section 15719, rather it has been amended to ensure consistency in the terminology used throughout the regulations. While not on the proposed action the Department notes commenters' suggestion

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			and looks forward to working with stakeholders on the development of policies for future rulemakings.
15724	858	Commenter suggests that the Department should update the Total Cannabinoid Formula to acknowledge/accurately reflect the different cannabinoid product profiles.	No substantive amendments have been proposed to section 15724, rather it has been amended to ensure consistency in the terminology used throughout the regulations and to remove duplicative language. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15724	228, 239	Commenter suggests that the target potency accuracy be increased from 10% to +/- 20%. Commenter believes that the variance is too low and creates a barrier for manufacturers who want to make low-dose edibles.	The Department disagrees with this comment. The proposed regulations impose a variance of 10%. Business and Professions Code subsection 26100(d)(3) dictates that, after January 1, 2022, the milligrams of THC per serving for edible products must not deviate from 10 milligrams by more than 10 percent. Legislative action would be required to change the proposed variance.
15724	27, 42	Commenters support a change from 10% to 12% in the deviation of THC allowed in section 15724.	The Department disagrees with this comment. The proposed regulations impose a variance of 10%. Business and Professions Code subsection

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			26100(d)(3) dictates that, after January 1, 2022, the milligrams of THC per serving for edible products must not deviate from 10 milligrams by more than 10 percent. Legislative action would be required to change the proposed variance.
15724(g)/17305	229, 240	Commenter suggests that licensees should be allowed to have failed batches tested a second time. Commenter assert that such an amendment would reduce waste and allow the accuracy of results to be verified.	The Department agrees in part with this comment. Laboratories verify their results and may retest in specified circumstances as established by the regulations.
15724(h)	11	Commenter requests reinstatement of the 12% variance for THC/CBD label claims regarding infused edibles. Commenter asserts that the 12% variance enabled manufacturers to provide a wider range of products to consumers.	The Department disagrees with this comment. The proposed regulations impose a variance of 10%. Business and Professions Code subsection 26100(d)(3) dictates that, after January 1, 2022, the milligrams of THC per serving for edible products must not deviate from 10 milligrams by more than 10 percent. Legislative action would be required to change the proposed variance.
15726(c)	1046	Commenter requests clarification regarding whether METRC UID number referred to in subsection 15726(c) is the Source UID or the Test Transfer UID.	The Department disagrees with this comment. The subsection clearly states the METRC UID and the Test Sample ID must be provided.
15726(e)(5)	1456, 1715, 1814	Commenters assert that subsection 15726(e)(5) should be amended to include the UID number.	No substantive amendments have been proposed to section 15726(e)(5), rather it has been amended to ensure consistency in the terminology used

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			throughout the regulations. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15726(h)	385, 520, 589, 754, 807, 830, 1181, 1282, 1314, 1661, 1760, 2206	Commenters support the proposed amendments to subsection 15726(h).	The Department agrees with this comment.
15730	856	Commenter recommends that the Department require laboratories to analyze 1 CCV with every 20 samples (analytical batch).	The Department disagrees with this comment. The Department believes that the proposed provisions regarding residual pesticides testing are appropriate to protect the public health.
15730	857	Commenter recommends that the Department align with the standard method performance requirements outlined by AOAC's Cannabis Analytical Science Program (CASP).	No substantive amendments have been proposed to section 15730, rather it has been amended to ensure consistency in the terminology used throughout the regulations. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15733	1981	Commenter asserts that clarification is required because the language provides that a	No substantive amendments have been proposed to section

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		testing laboratory must participate in a proficiency testing program, at least every 6 months, but then goes on to say it must “successfully” participate annually, which is confusing.	15733, rather it has been amended to ensure consistency in the terminology used throughout the regulations. Licensees must participate in proficiency testing every six months and annually must successfully participate in the proficiency testing program for the enumerated test methods. While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15736(e)	1631	Commenter asserts that sections 15406 and 17404 have been amended to remove the requirement for a batch number to be printed on the label of cannabis goods. Commenter suggests that subsection 15736(e) should be amended to require the batch number to be included on all cannabis and cannabis products, and to require the source UID to be included on all regulatory compliance COAs.	No substantive amendments have been proposed to section 15736(e), rather it has been amended to ensure consistency in the terminology used throughout the regulations. The Department has not proposed to remove a requirement from 15406 and 17404 as suggested by the commenter. While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Cultivation Generally	693	Commenter suggests that the proposed requirements related to tagging, weighing, storing, and processing should be relaxed for	The Department disagrees with this comment. The Department believes that

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		farms or entities that cumulatively cultivate one acre or less.	the proposed regulations related to tagging, weighing, storing, and processing conform to the requirements specified in the Act and should be consistent for all cultivation licensees.
Cultivation Regulations Generally	1000, 2461	<p>Commenter asserts that the proposed regulations seem skewed in favor of large corporate companies rather than small craft farms.</p> <p>In some cases, commenter suggest that comments provided are overwhelmingly from small farmers and regulations should reflect their needs versus those of larger operators.</p>	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Changes to Cultivation Methods Generally	1553	Commenter asserts that the Department should streamline the process for licensees to change their cultivation production method from year to year.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Fallowing	72, 76, 81, 85, 89, 92, 95, 99, 101, 112, 116, 123, 125, 131, 135, 145, 156, 158, 161, 162, 169, 184, 391, 394, 397, 405, 409, 413, 416, 419, 461, 484, 491, 564, 632, 707, 714, 738, 765, 909,	<p>Commenter requests that a pathway be created for cultivators to engage in fallowing</p> <p>In some cases, commenter asserts that fallowing should be allowed without penalty.</p>	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

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	981, 1020, 1062, 1321, 1552, 1727, 1728, 1825, 1827, 1864, 2012, 2045, 2112, 2142, 2179, 2216, 2227, 2264, 2314, 2348, 2365, 2368, 2385, 2401, 2406, 2413, 2417, 2431		
Legacy Genetics	74, 78, 80, 94, 104, 127, 128, 132, 146, 150, 153, 160, 164, 172, 182, 385, 392, 395, 398, 401, 403, 406, 410, 414, 417, 420, 453, 454, 485, 487, 492, 698, 699, 709, 710, 715, 762, 766, 982, 999, 1015, 1021, 1063,	<p>Commenter suggests that legacy genetics should be enterable into the Track and Trace system so that the transfer of seeds and immature plants can be facilitated.</p> <p>In some cases, commenter asserts that cannabis farmers should be allowed to transfer genetics without a nursery permit.</p> <p>In some cases, commenter asserts that “no source” entry should be allowed for legacy genetics.</p> <p>In some cases, commenter asserts that new genetics should be allowed.</p> <p>In some cases, commenter asserts this will account for farms</p>	While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

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	1557, 1865, 2013, 2113, 2453, 2143, 2228, 2281, 2310, 2335, 2340, 2342, 2346, 2350, 2353, 2366, 2373, 2378, 2382, 2386, 2394, 2397, 2399, 2416, 2435, 2453	applying for a state license having a local permit delayed, and then being unable to add the seeds into METRC.	
Seeds	2108, 2109	Commenter asserts that in light of Feds decreeing that cannabis seeds are hemp seeds, seed regulations should be removed. Commenter asserts that distributors are not interested in seeds, because there is not enough product to incentivize distribution, unlike flower.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Nursery Language	2364, 2444, 2445	Commenter asserts there needs to be more definitive nursery language, and small farmers are needed. In some cases, commenter asserts nursery regulations should be introduced and should coincide with local nursery regulations as far as size, shape, form, plants, transport, delivery and sale.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Cultivator Direct to	138, 565, 634, 906,	Commenter asserts that small farmers need to be able to sell	While not on the proposed action the Department

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Consumer Sales	1729, 1828	their products at farmers markets. Commenter suggests that cultivation operations measuring 10,000 square feet or less should be allowed to sell cannabis directly to consumers.	notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Nurseries	18	Commenter believes that nursery operations should be given their own delineative rules rather than being grouped into other cultivation operations.	The Department disagrees with this comment. The Department believes that nurseries are considered cultivators under the Act, therefore all statutory and regulatory provisions related to cultivation would apply to nurseries irrespective of the Department's categorization.
Cannabis as Agriculture	183	Commenter suggest that cannabis should be recognized as agriculture within the regulatory framework and treated in parity with other agriculture. Commenter asserts that cultivators need to be able to have tastings and sell their products directly to consumers.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Cultivators	2107, 2110, 2458, 2443, 2458	<p>Commenter suggests that cultivators be allowed to engage in self-distribution under the cultivation licensee and not have to obtain a separate self-distribution license.</p> <p>In some cases, commenter suggests including a self-distribution permit with State licensing. The benefit would include a more streamlined operation, and allow transfer of plants across a line on a map from the nursery to cultivation gardens.</p>	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
16102(q)	1539	Commenter asserts that former subsection 16102(q), which required applicants for a cultivation license to provide evidence that the business has	The Department disagrees with this comment. A commercial cannabis business applying for a license to

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		conducted a hazardous materials record search, has been struck. Commenter asserts that subsection 16102(q) should be replaced.	cultivate cannabis is still required to provide evidence that the business has conducted a hazardous materials record search under subsection 15011(a)(4).
16201	346	Commenter asserts that requiring cultivators to hold multiple small licenses for one large indoor facility is not good for anyone. Commenter suggests adding a large indoor license similar to the large outdoor license being issued starting January 2023.	No substantive amendments have been proposed to section 16201, rather its placement has been moved within the regulations. Large cultivation licenses, also known as Type 5, may be issued by the Department in accordance with the Act beginning on January 1, 2023. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
16201	347, 2269	Commenter asserts that it is unclear what requirements licensees will have to follow for Type 5, Type 5A, and Type 5B licenses, as these license types are not addressed in the current regulations.	No substantive amendments have been proposed to section 16201, rather its placement has been moved within the regulations. Large cultivation licenses, also known as Type 5, may be issued by the Department in accordance with the Act beginning on January 1, 2023. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future

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			rulemakings.
16202	2100	Commenter asserts if a local jurisdiction requires odor mitigation for a licensed indoor cultivation premises, the minimum standard should be a carbon filter-based system.	No substantive amendments have been proposed to section 16202, related to odor provisions. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings. However, if the local jurisdiction mandates specific odor controls the licensee is required to comply.
16202	2101	Commenter asserts that to better protect public health and promote the viability of a crop, the Department consider establishing an airflow analysis requirement. Air flow analysis in a cultivation operation can significantly reduce the growth of mold/spores that are almost impossible to eradicate once in the room.	No substantive amendments have been proposed to section 16202 related to air flow requirements. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
16300	65, 111, 122, 556, 625, 688, 997, 1623	Commentors suggest that cultivators should be allowed to transport their own clones and flower to another licensed premises with the same ownership without needing an additional distributor license for self-transport.	No substantive amendments have been proposed to section 16300(d) related to transportation, rather its placement has been moved within the regulations. However, the Act requires a distribution license to transport cannabis and cannabis products.
16300	1103, 1137, 1360	Commenters assert that the requirements under subsection 16300(c) should only apply to seeds or plants that are	No substantive amendments have been proposed to section 16300(c) related to the

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		propagated for commercial sale.	nursery license requirement. However, the Act defines a nursery as a license for production of clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis.
16300	1970	Commenter asserts that licensees under common ownership should be permitted to transfer immature plant material between licenses.	No substantive amendments have been proposed to section 16300(d) related to transfer, rather its placement has been moved within the regulations. However, the Act requires a distribution license to transport cannabis and cannabis products.
16302	1327, 2224	Commenters assert that nursery licensees should be allowed to transfer research and development plants to manufacturing to facilitate the evaluation of research and development products in final form.	The Department disagrees with this comment. The Department has added the language that these plants may not leave the licensed premises to clarify the current provision that indicates they cannot enter the supply chain. The Department believes it is appropriate to keep research and development cannabis separate.
16302	1104, 1138, 1361	Commenter asserts that only mature plants cultivated for research and development should be prohibited from entering the commercial market, and that nursery licensees should be allowed to sell clones and seeds cultivated for research and development.	The Department disagrees with this comment. The Department has added the language that these plants may not leave the licensed premises to clarify the current provision that indicates

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			they cannot enter the supply chain. The Department believes it is appropriate to keep research and development cannabis separate. The Department disagrees with this comment. The Department has added the language that these plants may not leave the licensed premises to clarify the current provision that indicates they cannot enter the supply chain. The Department believes it is appropriate to keep research and development cannabis separate.
16302	944, 1582	Commenters assert that licensed nurseries should be allowed to donate cannabis from mature research and development plants for medical use.	The Department disagrees with this comment in part. The Act requires all cannabis donated for medicinal use to undergo regulatory compliance testing, which is not required for research and development plants. The Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
16304	853	Commenter asserts that section 16304 should be amended to include laws from or references to the Porter-Cologne Water Quality Control Act, the California Endangered Species Act, and the Sustainable Groundwater Management Act.	The Department disagrees with this comment. The Department does not believe it is necessary to restate statutory provisions in this section.

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16305	854	Commenter asserts that offsets are an extremely unreliable and likely false method of reducing carbon emissions. Commenter asserts that removing the allowance for offsets from section 16305 is the best way to ensure California meets its ambitious emissions goals.	No substantive amendments have been proposed to section 16305 related to the use of offsets, rather its placement has been moved within the regulations. The Department has developed its requirements in accordance with the Act.
16305	1239, 1966	Commenters assert that the implementation of section 16305 should be pushed to January 1, 2024.	No substantive amendments have been proposed to section 16305 related to the implementation date, rather its placement has been moved within the regulations. The provisions contained in section 16305 are required to be implemented on January 1, 2023, by the Act.
16306(c)	109, 149, 399, 400, 462, 708, 905, 945, 1004, 1016, 1105, 1139, 1362, 1549, 1897, 2326, 2362, 2379, 2420, 2432	Commenters opposed the proposed regulation related to generator usage. Commenters suggest that subsection 16306(c) should be struck. In some cases, commenter believes that some cultivators are unable to connect to the grid because PG&E has stopped installations in rural areas, and that others cannot afford to convert their farms without assistance. Commenter suggests that cultivators should be allowed to continue to use small generators until grant programs have been implemented to increase renewable energy alternatives. In some cases, commenter asserts that the Department should defer to local regulation concerning generators. Commenter asserts that this regulation does not provide	No substantive amendments have been proposed to section 16306(c), rather its placement has been moved within the regulations. This provision is required to be implemented on January 1, 2023, by the Act.

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		<p>enough alternatives or time for farmers who use small generators to move to alternative power sources.</p> <p>In some cases, commenter asserts there should not be separate rules for cannabis.</p>	
16308(a)(2)	1240	<p>Commenter asserts that the department should apply a simple calculation instead of requiring cultivators to create another boundary in addition to what they have already described to the department in their premises diagram.</p>	<p>The Department disagrees with this comment. The premises diagram must be an accurate representation of the physical premises. Thus, the physical boundary demarcating the canopy must be not only be a real boundary, but it must also be clearly identified on the diagram.</p>
16308(b)	946, 1558	<p>Commenters assert that the proposed nursery trade sample process does not resolve issues related to transfer of genetic material. In some cases, commenter asserts that trade samples transferred to cultivators which are intended for use only as immature plants should be allowed to be placed into the cultivator's immature plant area and not forced into a canopy area.</p>	<p>The Department disagrees with this comment. In order to adequately track and identify trade samples and to ensure that the intent of trade samples is observed, the Department has determined that trade samples must be grown in the canopy area.</p>
Child-resistant Packaging	2057	<p>Commenter asserts that child-resistant packaging regulations should be re-thought and limited only to products which would be readily consumable, such as a cannabis edible. The majority of cannabis products should be allowed more freedom to seek out locally-produced, sustainable, and less bulky packaging.</p>	<p>While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.</p>
17117	13	<p>Commenter asserts that a shortage of CBD rich cannabis strains is detrimentally affecting medical cannabis patients and consumers with a primary interest in wellness. Commenter</p>	<p>The Department disagrees with this comment. BPC section 26001 specifically excludes hemp from the definition of cannabis. AB</p>

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		references AB 45, which was signed into law last year and permits the sale of hemp-derived ingredients including CBD in food and supplements. Commenter suggests an amendment to allow hemp-derived CBD as an ingredient in cannabis products.	45 provides that CDFA is the regulatory authority for hemp and CDPH is the regulatory authority for hemp products. AB 45 also requires the Department, to prepare a report to the Governor and the Legislature outlining the steps necessary to allow for the incorporation of hemp cannabinoids into the cannabis supply chain. Thus, inclusion of hemp or hemp-derived cannabinoids would not be consistent with the statutory provisions that require hemp and cannabis separately.
17117	380	Commenter asserts that section 17117 should prohibit cannabis manufacturers from operating in conjunction with licensed tobacco establishments in addition to licensed alcohol establishments.	The Department disagrees with this comment. The department does not believe it is necessary to extend the prohibition found at subsection 17117(e) to include manufacturers of tobacco products. Like the Department, the Department of Alcoholic Beverage Control licenses premises, thus, it is appropriate to include this provision for alcohol only. Additionally, a cannabis manufacturing license does not allow a cannabis manufacturer to manufacture tobacco, or allow someone else to manufacture tobacco, on their licensed premises.
17117	1941, 2404	Commenters asserts that this section should be amended to clarify that manufacturers can package products directly related	The Department disagrees with this comment. The Department does not

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		to the use of their cannabis products on the same premises, such as batteries for a vape pen.	permit the manufacturing or packaging of non-cannabis items, except non-infused samples, on the licensed premises.
17117(b)	432, 1618, 1935, 1969, 2139, 2289	<p>Commenters suggest that the recipients of non-infused product samples should not be limited to manufacturers or microbusinesses authorized to engage in manufacturing, because many individuals, such as retailers and distributors, would benefit from a better understanding of the flavor profile and quality of products.</p> <p>In some cases, commenter asserts that the proposed text could be read as limiting the recipients of non-cannabis infused product samples exclusively to licensed manufacturers or microbusinesses authorized to engage in manufacturing only, or alternatively, as providing illustrative, but non-exclusive examples of potential recipients. Commenter suggests that the Department should clarify the permitted recipients of non-infused product samples.</p>	The Department agrees with this comment. The Department has amended the language to clarify that manufacturers may provide non-infused product samples to other licensees with the exception of cultivators, distributors transport only, testing laboratories, and cannabis event organizers. The Department determined licensed manufacturers may need to provide such samples to induce distributors, retailers, and microbusinesses to carry their products by demonstrating flavor profiles and other characteristics of the products without the euphorigenic effects that may come from cannabis.
17206	2262	Commenter asserts the recertification process is unnecessary and overly burdensome. The regulation is also overly vague in that it states any engineer can conduct this inspection and certification. Commenter suggests removing subsections (b) and (c).	The Department disagrees with this comment. The provisions contained in proposed section 172601.1 regarding recertification are necessary and appropriate to ensure closed loop systems remain in the same condition as certified after certain events. The Department believes it is appropriate to have the certification conducted by

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			a California-licensed engineer. This is necessary to reduce the risk of harm to the public and licensee.
17206.1(e)(3)	2175	Commenter asserts that recertification every 5 years is expensive and results in undue hardships and disparate impacts for small businesses, instead recertification should be based on condition of the equipment, and proposes deletion of subsection (3).	The Department disagrees with this comment. The provisions contained in proposed section 172601.1 regarding recertification are necessary and appropriate to ensure closed loop systems remain in the same condition as certified after certain events. This is necessary to reduce the risk of harm to the public and licensee.
17207, 17212	119, 1940	Commenter asserts the proposed definition of the term “component” in section 17207 includes batteries, butane, and other items that can potentially be used to manufacture cannabis, but that section 17212 limits cannabis product components to edible products. Commenter suggests the definition of “component” should be changed for clarity.	The Department disagrees with this comment. The Department intends for the definition of “component” to include processing aids, as stated in section 17207. Section 17212 provides additional rules for certain types of product components, but the definition of “component” contained in section 17207 is not limited to the types of components specifically addressed in section 17212.
17211.1(a)(3)	1459, 1718, 1817,	Commenters assert that manufacturers should be exempt from the food handler certification requirement provided the licensee requires in-house food safety training to all employees involved in the preparation, storage or service of food before the employee is authorized to prepare	The Department disagrees with this comment. The Department believes that requiring this training is necessary to ensure those producing edible cannabis products do so in a manner consistent with

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		edibles.	the health and safety standards for food to protect the consumer.
17214	842	Commenters assert that it is redundant for regulations to require that multi-ingredient cannabis products be tested for mycotoxins. Commenter asserts that only mycotoxin testing of cannabis should be required under section 17214 and that cannabis products should be removed from the scope of this section. Commenter believes that Quality Plan/Risk Assessment should identify if and where additional mycotoxin testing is required to control this chemical hazard in the remaining supply chain to the cannabis goods.	No substantive amendments have been proposed related to mycotoxins testing. Additionally, BPC section 26100 requires that testing be performed on the final form in which cannabis or cannabis products will be consumed or used.
17219	381	Commenter opposes all cannabis beverages including juices.	No substantive edits have been proposed to section 17219. Additionally, the Act allows for cannabis beverages.
17221	561, 630, 733, 808, 831, 1241, 1271, 1303, 1963, 2066, 2190	Commenters assert that the proposed regulation requiring that a weighmaster certificate be sent with every transfer is a duplicative requirement given that all weighing devices in use already must be weighmaster approved and sealed. Commenter requests that the transfer manifest be used instead, or that the transfer manifest be referenced on the weighmaster certificate to avoid the requiring the same information multiple times for every transfer.	The Department disagrees with this comment. The proposed regulations align with the requirements in the Act and requirements related to weighmasters.
17223	117	Commenter expresses support for the proposed amendments to section 17223, which clarifies that cannabis waste can be recycled.	The Department agrees with this comment.
17223	118, 1937	Commenter believes that the requirements for rendering cannabis waste be relaxed. However, commenter also asserts	The Department disagrees with this comment. The Department believes that

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		<p>that some processors feel the rules are too relaxed already.</p> <p>Commenter suggests the Department should add a definition for the term “disposal” or tighten up the definition of “cannabis waste” because is currently unclear from 17223(c) what constitutes disposal.</p>	<p>the level of proposed regulation is appropriate to address both environmental and safety concerns regarding the disposal of cannabis waste. The Department believes it is sufficiently clear that cannabis waste, as referenced in section 17223(c), must remain in a secured waste receptacle until it is disposed of using one of the methods provided in section 17223. Section 17223(b) states that licensees must dispose of cannabis waste using only the methods prescribed therein.</p>
17223	1876	<p>Commenter suggests clarifying waste hauler’s requirement to recycle, and poses question of whether a licensee’s waste management plan that is set for cannabis waste to be collected through a local agency or private waste hauler be disposed of with other regular organic waste (ie recycled) by the agency or hauler?</p>	<p>The Department agrees in part with this comment. The Department’s waste regulations have been developed to align with waste disposal for other items. Licensees must dispose of waste consistent with the Public Resources Code and other applicable waste laws.</p>
17223(f)	1894	<p>Commenter asserts there needs to be guidance on what “unusable” means, including clarity and examples. Commenter suggests prohibiting licensees from mixing cannabis waste with certain substances that create a hazardous waste.</p>	<p>The Department disagrees with this comment. Unusable is common term that means not fit to be used. This may include removing the product from packaging.</p>
17225	2095	<p>Commenter asserts that this requirement is overly burdensome to operators and the Department should remove this regulation and consider another way to partner with operators to collect this</p>	<p>The Department disagrees with this comment. Inherent in consumer laws is the requirement that the producers of consumer</p>

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		information.	products track and respond appropriately in cases where products may be misbranded, adulterated, or otherwise found to be unsafe for consumption. Such tracking is necessary to preserve the integrity of the cannabis industry and the health and safety of consumers. It is appropriate to extend this requirement to other licensees that produce or sell cannabis goods.
17225, 17226, 17227	370	Commenter suggests that cannabis businesses should be required to report complaints.	The Department disagrees with this comment. The Department does not believe it is necessary to require licensees to report all complaints, including those that do not produce any evidence of adulteration or misbranding. The Department believes that the proposed regulations are sufficient to protect the safety of the public in the event of a complaint that does produce such evidence.
17226, 17227	1242	Commenter asserts that the voluntary and mandatory recall provisions should be combined.	The Department disagrees with this comment. BPC section 26039.1 provides for both voluntary and mandatory recalls based on the circumstances.
17225, 17226	1595	Commenter states the sections do not differentiate which licensee in the supply chain has responsibility for addressing product complaints and recalls.	The Department disagrees with this comment. Responsibility in a particular situation is established based on the unique circumstances and

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			facts. All licensees that produce cannabis or cannabis products or that own such products are potentially responsible for addressing product complaints or recalls.
17300 et seq.	1891	Commenter asserts additional requirements for manufactured cannabis products will cause a number of cannabis products already in the stream of commerce to be deemed non-compliant.	The Department disagrees with this comment. The Department considers the protection of public safety to be its highest priority and believes that implementation of the proposed changes to these sections are necessary to ensure that all commercially available cannabis and cannabis products are safe for consumption. In adopting new regulatory requirements, the Department recognizes that licensees may experience compliance issues as they transition their operations and plans to initially prioritize education over discipline.
17300	26, 41, 185, 735	Commenters request an amendment to include dried seafood products as an exception to the 'Prohibited Products' so long as they are prepared in accordance with the FSIS Compliance Guideline for fish products. Commenter asserts the proposed amendment would mirror the exception for dried meats included in subsection 17220(h).	No substantive amendments have been proposed to section 17300 related to seafood food products, rather it has been moved within the regulations. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

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17300	666, 755	Commenters support the proposed amendments to section 17300.	The Department agrees with this comment.
17300	1917, 2122	Commenters support removal of the prohibition on use of caffeine as an additive.	The Department agrees with this comment.
17300	683	Commenter supports the ban on dry-powder inhalers.	The Department agrees with this comment.
17300	832	Commenter asserts that removing the prohibition on the use of caffeine as an additive will bolster innovation and benefit consumers.	The Department agrees with this comment.
17300, 17302.1, 17303.1	500	Commenter asserts that implementing the changes proposed to sections 17300, 17302.1, and 17303.1 without any enforcement grace period, will result in huge financial losses for licensees who have a large inventory of currently-compliant products, but who are otherwise unable to timely sell off such products that will become non-compliant when the Proposed Non-Emergency Regulations go into effect	The Department disagrees with this comment. The Department considers the protection of public safety to be its highest priority and believes that implementation of the proposed changes to sections 17300, 17302.1, 17303.1 are necessary to ensure that all commercially available cannabis and cannabis products are safe for consumption. The Department disagrees with this comment. In adopting new regulatory requirements, the Department recognizes that licensees may experience compliance issues as they transition their operations and plans to initially prioritize education over discipline.
17300 et seq., 17300(n) 17302.1, 17301	2103	Commenter asserts a concern that the regulations fail to address manufactured cannabis products that have already been introduced into the stream of commerce and that will be rendered non-compliant should these additional requirements for manufactured	The Department disagrees with this comment. The Department considers the protection of public safety to be its highest priority and believes that implementation of the

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		cannabis products be adopted. Commenter recommends a grace period for compliance with these additional requirements for manufactured cannabis products so that licensees have an opportunity to sell-off products that become non-compliant after the proposed changes to the regulations take effect.	proposed changes to sections are necessary to ensure that all commercially available cannabis and cannabis products are safe for consumption. The Department disagrees with this comment. In adopting new regulatory requirements, the Department recognizes that licensees may experience compliance issues as they transition their operations and plans to initially prioritize education over discipline.
17300, 17408	371	Commenter suggests that the Department should prohibit the sale or marketing of flavored cannabis products intended for inhalation, and the use of names, images, claims, or advertising implying non-cannabis flavors. Commenter recommends capping the potency of concentrates allowed for sale at 50% THC, requiring standardized 5mg metered dosing for inhaled products, and limiting potency of flower to 20%, until an objective expert body provides further recommendations to the state. Commenter suggests that cannabis beverages, if allowed at all, should be limited to a single serving containing a maximum of 10mg of THC.	The Department disagrees with this comment. The Department believes that the proposed regulations regarding labeling, advertising, and age verification are sufficient to ensure that cannabis products are not advertised, marketed, or sold to minors. The Department believes that the proposed regulations regarding cannabinoid concentration limits are sufficient to ensure that cannabis products sold by licensees are safe for consumption. The Department believes that requiring all cannabis beverages to be packed in individual servings would contribute to unnecessary waste from discarded packaging.
17300(b)	793	Commenter asserts safety concerns should be required to be demonstrated using scientifically	The Department disagrees with this comment. As written the

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		credible studies or historical information before the use of an additive is limited. Commenter suggests that subsection 17300(b) should be amended to read as follows: "Any cannabis good containing any non-cannabinoid additive that has been demonstrated, using scientifically credible studies or commonly accepted historical knowledge, to increase potency, toxicity, or additive potential, or that would create an unsafe combination with other psychoactive substances including but not limited to nicotine."	section appropriately limits ingredients that may increase the potency, toxicity, or addictive potential.
17300(b)	2096	Commenter asserts a strong objection to the use of the term "addictive potential," which has negative impacts in furthering the stigma around cannabis. Commenter believes terms "potency" and "toxicity" are sufficient to convey the message.	The Department disagrees with this comment. Ensuring that additives that increase the potential for addiction to a particular product would be unsafe. Thus, such additives are prohibited.
17300(c)	2097	Commenter asserts that juices are required to be kept at temperatures below 41 degrees similar to products which have dairy as an ingredient. Allowing juices but not dairy products seems arbitrary and the Department should reconsider this position, or at minimum state the purpose and intent more clearly to defend its position prohibiting dairy based products.	No substantive amendments have been proposed to section 17300 related to dairy products, rather it has been moved within the regulations. Additionally, BPC section 26001(u) excludes dairy products from the definition of edible cannabis product.
17300(c), (f)	2240	Commenter asserts that subsections (c) and (f) should be deleted; they are too restrictive and serve no public safety purpose, while being seemingly punitive and discriminatory.	No substantive amendments have been proposed to section 17300, subsections (c) and (f), rather they have been moved within the regulations. While not on the proposed action the Department notes

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			commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17300(g)-(i)	2241	Commenter asserts that subsections (g), (h) and (i) should be deleted; same standards for grocery stores should apply, and what is a "seafood product" and how is that term defined? Are Shrimp Chimps a seafood product and would they be banned?	No substantive amendments have been proposed to section 17300, subsections (g), (h) or (i), rather they have been moved within the regulations. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17300(i)	2043	Commenter asserts that this subdivision (i) should be removed entirely, as it would limit innovation and remove existing products like Potli Shrimp Chips or other such Asian food products.	No substantive amendments have been proposed to section 17300, subsection (i), rather it has been moved within the regulations. Moreover, shrimp flavoring is not prohibited. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17300(j)	2242	Commenter expresses support for this subsection.	The Department agrees with this comment.
17300 (k), (l), (m)	2243	Commenter expresses support for these subsections, however, also asserts that subsections (k) and (l) could be further edited for clarification and made more	The Department agrees with this comment in part. However, the Department believes the language is sufficiently clear to allow

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		specific.	the licensee to understand the requirement.
17300(l)	1861	Commenter asserts that subdivision (l) should be removed entirely, as it is overly-broad and could result in prohibition of most of the edible cannabis products currently on the market. Packaging should clearly indicate it is a cannabis product.	The Department disagrees with this comment. The Act requires that cannabis goods be readily identifiable and distinguishable from other non-cannabis goods.
17300(n)	53, 114, 157, 220, 344, 345, 407, 411, 421, 425, 428, 431, 433, 435, 504, 642, 666, 672, 675, 680, 711, 712, 719, 734, 761, 792, 798, 865, 867, 887, 976, 978, 979, 983, 1010, 1048, 1058, 1059, 1243, 1460, 1469, 1634, 1719, 1725, 1818, 1824, 1883, 1962, 2042, 2176, 2244, 2337	<p>Commenters oppose the prohibition on dry powder inhalers and metered-dose inhalers. Commenter suggests that the Department should strike section 17300(n) and seek to oversee the safe production of these products rather than implement a blanket prohibition.</p> <p>In some cases, commenter believes that dry powder inhalers can provide an option for inhaled cannabinoids without the health risks associated with smoking and vaping. Commenter believes that dry powder inhalers are unlikely to cause microbial contamination and should be accessible to medical patients.</p> <p>In some cases, commenter asserts that this requirement will have a chilling effect on research and development.</p> <p>In some cases, commenter suggests instead a heightened standard be placed upon those who are producing such devices in a safe, scientific manner.</p>	The Department disagrees with this comment. The Department believes that metered-dose inhalers and dry-powder inhalers create a significant risk of microbial infection for consumers. In the non-cannabis market inhalers are highly regulated by the Food and Drug Administration as medical devices and are subject to increased manufacturing standards and extensive adverse reaction monitoring. Additionally, cannabis inhalers may be mistaken for medical inhalers. The Department believes that the prohibition on manufacturing these types of products for introduction into the cannabis market is necessary to protect cannabis consumers from purchasing potentially harmful products.
17301	382	Commenter suggests that licensees should be required to package edible products in single	The Department believes that the proposed regulations regarding

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		servings or doses.	labeling and cannabinoid concentration limits are sufficient to ensure that cannabis products sold by licensees are safe for consumption. The Department believes that requiring all edible cannabis products to be packed in individual servings would contribute to unnecessary waste from discarded packaging.
17301	463, 716, 1011, 1036	Commenter asserts that melatonin is a dietary supplement and suggests that it should be approved for use as an ingredient in cannabis gummies and small drinks similar to other dietary supplements.	The Department disagrees with this comment. The Department believes the proposed language related to edible cannabis product is appropriate to protect the public.
17302.1	196, 197, 198, 199, 200, 201, 203, 217, 218, 223, 224, 247, 248, 253, 436, 759, 760, 863, 900, 1304, 1889, 1964, 2054, 2102, 2315, 2347, 2389, 2426, 2436	<p>Commenter opposes the proposed limitation to the allowable tincture volume. Commenter asserts that the proposed limitation will threaten public health and safety, have negative environmental impacts, increase the burden on operators, and perpetuate the illicit market.</p> <p>In some cases, commenter suggests that the existing regulations, which differentiate between alcohol-based tinctures and tinctures containing alcohol-free ingredients, should be maintained.</p> <p>In some cases, commenter suggests limiting tincture volume to 8 fluid ounces, requiring packaging to be opaque, or requiring that tinctures be sold with a delivery mechanism instead.</p> <p>In some cases, commenter</p>	The Department disagrees with this comment. The Department has defined tincture narrowly to ensure its distinction from cannabis beverages, which are edible cannabis products. Tinctures, as cannabis concentrates, may have significantly more THC than edible cannabis products and are designed to generally be consumed sublingually in small amounts, whereas edible products are consumed as any other food or beverage. Moreover, for consistency, all tinctures should be subject to the same volume limits as orally consumed products containing alcohol. In adopting new regulatory requirements, the

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		<p>suggests a limitation on tincture volume to 2 fluid ounces only for tinctures that contain alcohol, requiring packaging to be opaque, or that tinctures be sold with a delivery mechanism.</p> <p>In some cases, commenter asserts there is a risk to consumer safety as people are already used to the dosage and will now be forced to consume a concentrated dose.</p>	<p>Department recognizes that licensees may experience compliance issues as they transition their operations and plans to initially prioritize education over discipline.</p>
17302.1(a)	222	<p>Commenter expresses support for the proposed amendment at subsection 17302.1(a), which caps tinctures at 2 fluid ounces. Commenter asserts that edibles were being improperly labeled as tinctures. Commenter believes this amendment will help prevent improper labeling, which commenter asserts can create consumer confusion and potentially lead to dosing issues.</p>	<p>The Department agrees with this comment.</p>
17303(a)	1244	<p>Commenter asserts that the limitation to two fluid ounces in proposed subsection 17303(a) is unnecessary.</p>	<p>The Department disagrees with this comment. The Department has defined tincture narrowly to ensure its distinction from cannabis beverages, which are edible cannabis products. Tinctures, as cannabis concentrates, may have significantly more THC than edible cannabis products and are designed to generally be consumed sublingually in small amounts, whereas edible products are consumed as any other food or beverage. Moreover, for consistency, all tinctures should be subject to the same volume limits as orally</p>

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			consumed products containing alcohol. In adopting new regulatory requirements, the Department recognizes that licensees may experience compliance issues as they transition their operations and plans to initially prioritize education over discipline.
17303.1	28, 54, 71, 187, 188, 189, 190, 251, 252, 423, 465, 687, 794, 795, 840, 862, 864, 972, 1035, 1170, 1273, 1305, 1386, 1391, 1412, 1425, 1507, 1509, 1612, 1890, 1892, 1936, 1942, 2056, 2072, 2140, 2177, 2376, 2377, 2403, 2429	<p>Commenter requests amendments to the limitations for what may be included in an inhaled product.</p> <p>In some cases, commenter suggests that "botanicals" should be permitted as an ingredient in cannabis products intended for inhalation rather than limiting to "botanically derived terpenes." Commenter suggests that the safety of using botanicals has been verified by the COA testing process. Commenter asserts that botanicals have less likelihood of testing positive for any pesticide or residual solvent than cannabis concentrates.</p> <p>In some cases, commenter asserts that the proposed language will improperly prohibit licensees from manufacturing pre-rolls that contain botanicals such as mint, lavender, ginger, chamomile, and rose petals.</p> <p>In some cases, commenter asserts that it is common practice for cannabis manufactures to combine botanically-derived terpenes with other botanically-derived ingredients such as ketones, aldehydes, esters, essential oils, and alcohols to</p>	<p>The Department disagrees with this comment. While the Department removed botanical as a descriptor term in this section, the Department included a more descriptive definition for terpenes that precludes synthetic compounds. The Department has specifically limited the terpenes that may be added to inhaled products to those that are naturally occurring and contribute to the flavor and aroma of cannabis. As such, artificial, synthetic, or natural terpenes that do not contribute to the natural flavor and aroma of cannabis are not permitted. Flavors that would be prohibited under this definition include, but are not limited to, menthol, mint, mango, strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, coffee, popcorn, and bubblegum. This preserves the integrity of the cannabis</p>

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		<p>create terpene blends that are used in inhalable cannabis products. Commenter indicates that such non-cannabis additives have been allowed by Oregon and Colorado. Commenter suggests that additional botanically-derived ingredients should be included as permissible ingredients for inhalable cannabis products, without regard to the FDA inactive ingredient approval status.</p> <p>In some cases, commenter suggests that the Department should specifically define the term “botanical.” Commenter asserts that adding such a definition would create clarity regarding the use of botanicals in cannabis products.</p> <p>In some cases, commenter asserts that the proposed language allows the use of propylene glycol and polyethylene glycol. Commenter asserts that the safety of these substances is not supported by sufficient evidence, and that they should not be allowed as ingredients in inhaled cannabis products.</p> <p>In some cases, commenter suggests that the limitations should be refined to more discretely address whether a particular ingredient is potentially harmful to the consumer.</p> <p>In some cases, commenter asserts that limiting cannabis product ingredients to those which are botanically derived terpenes or cannabis derived terpenes, or those which are on the “FDA list” will not contribute to the fastest</p>	<p>and reduces the appeal to minors through limiting flavors similar to those for candy or that mask the aroma and flavor of the cannabis. The Department also believes that prohibiting inactive ingredients that have not been approved for inhalation by the Food and Drug Administration is necessary to protect the consumer from purchasing potentially harmful products.</p>

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		<p>possible enforcement against ingredients which have been identified in public health discourse to be dangerous and have caused actual tragedies of consumer illness and even death. We urge the DCC to prioritize enforcement against ingredients that are known to be harmful for the sake of (1) consumer safety and (2) consumer confidence in, and preference for, licensed products. Applying the FDA lists is not an effective standard, and the Department should focus on ingredients that are known to be unsafe.</p>	
17303.1	372, 1942	<p>Commenter supports the amended language which limits the permissible ingredients in cannabis products intended for inhalation to those permitted by the United States Food and Drug Administration as an “inactive ingredient for inhalation.” However, commenter asserts that allowing botanically derived terpenes will increase the toxicity of cannabis products. Commenter suggests that cannabis products should not be allowed to contain exogenous terpenes, regardless of whether they are botanically derived. Commenter also suggests that language should be added to ensure that ingredients are not added at amounts that exceed the allowable potency as indicated by the FDA and to require cannabis manufacturers to document all calculations related to exposure and potency and provide them to the department.</p>	<p>The Department disagrees with this comment. While the Department removed botanical as a descriptor term in this section, the Department included a more descriptive definition for terpenes that precludes synthetic compounds. The Department has specifically limited the terpenes that may be added to inhaled products to those that are naturally occurring and contribute to the flavor and aroma of cannabis. As such, artificial, synthetic, or natural terpenes that do not contribute to the natural flavor and aroma of cannabis are not permitted. Flavors that would be prohibited under this definition include, but are not limited to, menthol, mint, mango, strawberry, grape, orange, clove, cinnamon,</p>

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			<p>pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, coffee, popcorn, and bubblegum. This preserves the integrity of the cannabis and reduces the appeal to minors through limiting flavors similar to those for candy or that mask the aroma and flavor of the cannabis. The Department also believes that prohibiting inactive ingredients that have not been approved for inhalation by the Food and Drug Administration is necessary to protect the consumer from purchasing potentially harmful products.</p>
17303.1	466, 1387, 1398	<p>Commenter expresses support for the additional guidance concerning additives in inhalable cannabis products. Commenter suggests that manufacturers and cultivators should be required to release a list of additives used in the cultivation and processing of cannabis. Commenter asserts that such a requirement would allow the industry to begin a proper assessment and identification of what is to be considered harmful or potentially harmful compounds in the emissions produced by devices used for vaping or other methods of inhalation. Commenter recommend that the Department partner with the FDA to perform risk-assessment studies to identify the composition of the cannabis emissions.</p>	<p>The Department disagrees with this comment in part. Cultivators and manufacturers are required to disclose certain information on labels to inform consumers, including a complete list of ingredients contained within the cannabis product, which the Department believes provides sufficient information to the consumer. However, licensees are not prohibited from sharing additional information with consumers – either through product labeling or other informational means. The Department has determined it is appropriate to prohibit the</p>

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			inactive ingredients not permitted by the Food and Drug Administration and is open to considering additional information related to the safety of cannabis ingredients in future rulemakings.
17303.1	796	Commenter asserts that subsection 17303.1(a) should be amended to require that companies using ingredients intended for use in inhaled cannabis products reference toxicological risk assessments, and that licensees should be given a grace period of at least 12 months to achieve compliance.	The Department disagrees with this comment. While the Department removed botanical as a descriptor term in this section, the Department included a more descriptive definition for terpenes that precludes synthetic compounds. The Department has specifically limited the terpenes that may be added to inhaled products to those that are naturally occurring and contribute to the flavor and aroma of cannabis. As such, artificial, synthetic, or natural terpenes that do not contribute to the natural flavor and aroma of cannabis are not permitted. Flavors that would be prohibited under this definition include, but are not limited to, menthol, mint, mango, strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, coffee, popcorn, and bubblegum. This preserves the integrity of the cannabis and reduces the appeal to minors through limiting flavors similar to those for

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			candy or that mask the aroma and flavor of the cannabis. The Department also believes that prohibiting inactive ingredients that have not been approved for inhalation by the Food and Drug Administration is necessary to protect the consumer from purchasing potentially harmful products.
17303.1	1173	Commenter asserts that licensees should be able to utilize all food-safe terpenes.	The Department disagrees with this comment. While the Department removed botanical as a descriptor term in this section, the Department included a more descriptive definition for terpenes that precludes synthetic compounds. The Department has specifically limited the terpenes that may be added to inhaled products to those that are naturally occurring and contribute to the flavor and aroma of cannabis. As such, artificial, synthetic, or natural terpenes that do not contribute to the natural flavor and aroma of cannabis are not permitted. Flavors that would be prohibited under this definition include, but are not limited to, menthol, mint, mango, strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, coffee, popcorn, and bubblegum.

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			This preserves the integrity of the cannabis and reduces the appeal to minors through limiting flavors similar to those for candy or that mask the aroma and flavor of the cannabis. The Department also believes that prohibiting inactive ingredients that have not been approved for inhalation by the Food and Drug Administration is necessary to protect the consumer from purchasing potentially harmful products.
17303.1	562, 631, 885, 1245, 1169, 1461, 1720, 1819, 1965	Commenters assert that pre-roll filter tips should be added to the list of permitted ingredients for inhaled products.	The Department agrees with this comment. The Department has proposed amendments to add filter tips to the permissible ingredients under proposed section 17303.1.
17303.1(a)	501, 1744, 1838	<p>Commenter believes that proposed regulations fail to define the term “botanically-derived” as used in subsection 17303.1(a).</p> <p>In some cases, commenter asserts that subsection 17303.1(a) fails to include other naturally derived ingredients typically used with inhalable manufactured products.</p> <p>In some cases, commenter asserts that the term “botanically-derived terpenes” be replaced with “naturally-derived ingredients.”</p>	The Department agrees with this comment in part. While the Department removed botanical as a descriptor term in this section, the Department included a more descriptive definition for terpenes that precludes synthetic compounds. The Department has specifically limited the terpenes that may be added to inhaled products to those that are naturally occurring and contribute to the flavor and aroma of cannabis. As such, artificial, synthetic, or natural terpenes that do not contribute to the natural flavor and aroma

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			<p>of cannabis are not permitted. Flavors that would be prohibited under this definition include, but are not limited to, menthol, mint, mango, strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, coffee, popcorn, and bubblegum. This preserves the integrity of the cannabis and reduces the appeal to minors through limiting flavors similar to those for candy or that mask the aroma and flavor of the cannabis. The Department also believes that prohibiting inactive ingredients that have not been approved for inhalation by the Food and Drug Administration is necessary to protect the consumer from purchasing potentially harmful products.</p>
17304	422, 424, 426, 2336	<p>Commenter asserts that the limit of 1,000 milligrams per package should be increased to 8,0000 milligrams per container of a manufactured good.</p>	<p>No substantive amendments have been proposed to section 17304, rather it has been moved within the regulations. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.</p>
17304(a)	230, 241	<p>Commenter suggests that the dosage limitation for edibles should be increased from 100mg per package to 250mg per</p>	<p>No substantive amendments have been proposed to section 17304, rather it has been</p>

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		package. Commenter asserts that such an amendment is supported by consumer demand and will reduce packaging waste.	moved within the regulations. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17304(c)	231, 242	Commenter suggests that the vape cartridge dosage limitation should be increased from 1000mg to 2000mg. Commenter asserts that such an amendment is supported by consumer demand and will reduce packaging waste.	No substantive amendments have been proposed to section 17304, rather it has been moved within the regulations. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17304(d)	427, 481, 482, 486, 489, 665, 676, 866, 1039, 1064, 1272, 1581, 2114	Commenters assert that the limit on cannabinoid concentration should be increased to meet consumer demand and reduce packaging waste. Commenter suggests that either the potency limit should be increased, or that the package size should be regulated by total weight.	No substantive amendments have been proposed to section 17304, rather it has been moved within the regulations. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17305	1895	Commenter asserts there is no definition or guidance on how licenses should destroy cannabis products that have failed batch testing and suggest providing such definition and guidance.	The Department disagrees with this comment. The proposed regulations contain provisions related to cannabis waste in section 17223.
17305	2007	Commenter asserts that as written, this section does not	The Department disagrees with this

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		provide a timeline for the Department to review/approve or reject corrective action plans. Commenter recommends that licensees need to receive approvals in a timely fashion so they can remediate the product while it is still fresh and "sellable."	comment. The Department's review of a corrective action plan depends in part on the completeness of the plan. The Department makes every effort to review plans quickly and efficiently, however each plan is reviewed on a case-by-case basis thus timelines for Department review would not be appropriate.
17398(c)(3), 17406(a)(6)	1632, 1933, 2137	<p>Commenter asserts that "major food allergens" as defined in 21 U.S.C. section 321(qq) and are not found in the raw materials used in inhalable cannabis products. Commenter asserts that allergen warnings should only be required for manufacturers creating products in which food allergens are present. Commenter suggests that inhalable cannabis products should not be subject to this regulation.</p> <p>In some cases, commenter recommends this requirement only be applicable to edible, topical, or tincture products with a potential for allergen interaction.</p>	The Department disagrees with this comment. The Department believes that the proposed labeling requirements related to allergens are appropriate to ensure the health and safety of consumers, and for accurate labeling. The final cannabis product manufacturer must list all allergens on the label of the final form cannabis product; thus, it is necessary for the information to be provided on the bulk cannabis product.
17398(a)	1246	Commenter asserts that the definition of the term "bulk cannabis or cannabis products" contained in subsection 17398(a) should be moved to section 15000 so that all definitions are contained in the same section.	The Department disagrees with this comment. The Department believes that the organization of the proposed regulations is appropriate.
17399, 17400	2178	Commenter expresses support to the Department for clarity regarding packing of clones and seeds.	The Department agrees with this comment.
17399	214	Commenter requests clarity on	The Department agrees in

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		whether section applies to only immature plants sold at retail or all immature plants. Commenter objects to labeling requirement if it applies to immature plants sold from a nursery to a cultivator.	part with this comment. The labeling requirement applies only to immature plants sold at retail and does not apply to immature plants sold by a nursery to a cultivator.
17401	227, 238, 684	Commenter suggests that licensed distributors should be allowed to add information that is not related to cannabinoid content to product labels and complete final packaging. Commenter asserts that the chain of custody will be preserved if the licensed manufacturer and licensed distributor are on the same premises.	No substantive amendments have been proposed to the requirement that cannabis products must be labeled and packaged in their final form for retail sale, with the exception of cannabinoid content, at the time it is transported from the manufacturing premises by a distributor. The requirement related to labeling is not related to the chain of custody. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17401	1171, 1328, 1462, 1721, 1820, 1934, 1961, 2138, 2225	Commenters assert that manufacturers who self-distribute their own products at the same facility as their manufacturing premises should be allowed to label its own manufactured cannabis product at its licensed distribution premises.	No substantive amendments have been proposed to the requirement that cannabis products must be labeled and packaged in their final form for retail sale, with the exception of cannabinoid content, at the time it is transported from the manufacturing premises by a distributor. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the

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			development of policies for future rulemakings.
17401	2010	Commenter asserts that as written, this regulation requires cannabis products to be labeled and packaged in their final form before being transferred to the distributor, with the only exception for the cannabinoid content, which may be stickered onto the product by the distributor. Commenter suggests an exception also be made for the information contained on the batch sticker (i.e., the manufacture date, best-by date, and/or UID as applicable) when the manufacturer has a non-arm's length relationship with the distributor.	No substantive amendments have been proposed to the requirement that cannabis products must be labeled and packaged in their final form for retail sale, with the exception of cannabinoid content, at the time it is transported from the manufacturing premises by a distributor. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17401(a)	2055	Commenter asserts that this subsection should be altered to allow for repackaging of cannabis products after they have passed testing to provide additional variety for consumers, including a "variety pack."	No substantive amendments have been proposed to the requirement that cannabis products must be labeled and packaged in their final form for retail sale, with the exception of cannabinoid content, at the time it is transported from the manufacturing premises by a distributor. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17402(c)	973	Commenter suggests that	The Department

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		subsection 17402(c) should be amended to allow required labeling information to be visible by partially peeling back a multi-page label affixed to the outside container or wrapper.	disagrees with this comment. The Department believes that the provisions in proposed subsection 17402(c) are necessary to ensure the safety of the public.
17402-17409	373	Commenter encourages the Department to add requirements for additional warning statements on the labels of cannabis products using the communication techniques proposed by SB 1097. Commenter also recommends that no health-related statements be allowed on the packing, labeling, or advertising of cannabis goods	The Department disagrees with this comment. The Department believes that the proposed labeling restriction and requirements are sufficient to protect the safety of the public, while keeping labels to a reasonable size. Moreover, BPC section 26154 prohibits only health-related statements that are untrue or tend to create a misleading impression as the effect of cannabis on health.
17403	272, 299, 329	Commenter suggests that 17403 be amended to read as follows: "The name of the licensed cultivator and licensee packaging the product (either the legal business name or the name listed on the license certificate) and that licensee's who packaged the products contact number or website address." Commenter asserts that such an amendment would enable consumers and regulators to instantly identify the source of the product when products are not packaged in conformity with the current requirements, which the commenter asserts can be difficult when only the distributor's license number is listed.	The Department disagrees with this comment. The proposed language already requires the contact information of the licensed cultivator or licensee packaging the product. The Department believes this sufficiently ensures that the source of the packaging can be readily ascertained.

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17403	1457, 1716, 1815	Commenters assert that subsection 17403(b)(1) should be amended to require the batch number.	The Department disagrees with this comment. The Department believes that the proposed requirements related to labeling of nonmanufactured cannabis goods are appropriate as the UID number is required and can be used to track the product.
17403(a)(1)	1393	Commenter asserts that subsection 17403(a)(1) is too vague.	The Department disagrees with this comment. The Department believes that the proposed language is sufficiently clear to inform the licensee the size of font and content required on the label for nonmanufactured cannabis goods.
17403(b)(2)	2258	Commenter asserts that the cultivator should always be identified on the cannabis good. This allows small cultivators to market their products and receive credit for their hard work. Commenter suggests changing “or” to “and” in subsection (b)(2). Also correct product to good.	No substantive amendments have been proposed to section 17403(b), rather it has been moved within the regulations. While not on the proposed action the Department notes commenter’s suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17403(b)(4)	833	Commenter suggests that the warning in subsection 17403(b)(4) should be required to be printed in CAPITAL font and in font type size 6 or above instead of in bold print.	No substantive amendments have been proposed to this requirement in section 17403(b)(4), rather it has been moved within the

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			regulations. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17405(a)	834	Commenter asserts that the labeling requirement under subsection 17405(a) should require print that is reasonably proportional to the most prominent printed matter on the panel rather than bold print.	No substantive amendments have been proposed to the size and bold requirement contained in section 17405(a), rather it has been moved within the regulations. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17406	1397	Commenter asserts that the Department should require cannabis and cannabis goods to be labeled with a best-by or sell-by date	The Department disagrees with this comment. The Department believes that the proposed requirements related to informational panel labeling for manufactured cannabis products are sufficient. Nothing prohibits a licensee from adding a best-buy or sell by date and the Act does not mandate this information.
17406	1458, 1717, 1816	Commenter asserts that subsections 17406(a)(10) and 17406(a)(11) require the UID and batch number to be present on	The Department agrees in part with this comment. Proposed subsection 17406(a)(10) requires the

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		the label of manufactured products.	UID number to be present, while proposed subsection 17406(a)(11) requires either the batch number or the lot number to be present.
17406(a)(3)	835	Commenter suggests that the warning in subsection 17406(a)(3) should be required to be printed in CAPITAL font and in font type size 6 or above instead of in bold print.	No substantive amendments have been proposed to the bold requirement contained in section 17406(a)(3), rather it has been moved within the regulations. While not on the proposed action the Department notes commenter's suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17407	215	Commenter asserts that terpenes should not have to be tested per batch, because terpenes are consistent for each strain. Commenter believes that requiring each batch of terpenes to be tested results in unnecessary time and monetary costs for licensees. Commenter suggests that licensees should only be required to test each strain of terpenes rather than each batch; commenter asserts that such an amendment would benefit consumers by making licensees more willing to provide information related to terpenes.	No substantive amendments have been proposed to sections 17407 or 15725 requiring the testing of terpenes for each batch. However, if batches are tested for terpenes, that information must be reported on the COA in addition to the other required test results.
17407	2259	Commenter asserts that for tinctures, it is important that the consumer know the dosage of the product at all times. Since the container typically only states the total milligrams of THC or CBD in the entire bottle it does nothing to help the consumer understand	The Department disagrees with this comment. The Department has not proposed to remove the requirement to report cannabinoid content on

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		how much is in each dropper. However, a distributor should be allowed to add a label to the bottle after testing. Commenter suggests requiring the cannabinoid content to be on a label on the bottle of tinctures.	the label for all cannabis goods, including tinctures. A distributor can still add cannabinoid content to the label after testing. The Department believes that the required information on THC and CBD content is sufficient information to protect the consumer.
17407(c)	1580	Commenter asserts that the Department should allow cannabis concentrates to be labeled as containing “less than 5% CBD” if they contain negligible amounts of CBD.	The Department disagrees with this comment. The Department has not proposed a change to the labeling concentration for CBD, but rather clarified that section 17407 applies to all cannabis goods not just cannabis products. The Department believes it is appropriate to maintain the current requirement.
17408	1609	Commenter suggests that the proposed regulations should be amended to clarify that use of the terms “appellation” or “proposed appellation” within the marketing, advertising and labeling of regulated cannabis products is a serious violation.	The Department disagrees with this comment. The disciplinary guidelines are a tool that provides factors to be considered in determining penalties and examples of violations and penalties. The guidelines are not meant to be inclusive of all violations. In assessing a violation, the considers the totality of the circumstances, including the factors in section II of the disciplinary guidelines as well as the totality of the circumstances. As a result, a violation categorized as minor may

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			result in a penalty higher than the standard range within the disciplinary guidelines.
17408(a)(5)(A))	791	Commenter asserts that subsection 17408(a)(5)(A) should be amended to clarify that the second sentence means that licensees are allowed to describe ingredients as organic if they do so in compliance with the OCal rules. Commenter suggests that subsection 17408(a)(5)(A) should be amended to read as follows: "Any statement or indication that the cannabis or cannabis product is organic, unless the National Organic Program (Section 6517 of the federal Organic Foods Production Act of 1990 (7 U.S.C. Section 6501 et seq.)) authorizes organic designation and certification for cannabis and the cannabis or cannabis product meets the requirements for that designation and certification. This includes use of the word 'organic' or variants in spelling such as 'organix' on the labeling, except licensees may use the term 'organic' in the ingredient statement on the informational panel of a cannabis product in compliance with the requirements of the programs established pursuant to Business and Professions Code section 26062."	The Department disagrees with this comment. The Department believes that the proposed language is sufficient to communicate licensee's responsibilities related to use of the term "organic."
17408(a)(6)	1610	Commenter asserts that subsection 17408(a)(6) should be amended to clarify that 100% of the cannabis in a product labeled with a statement or indication of an appellation of origin must be appellation of origin designated cannabis.	The Department disagrees with this comment. The Department believes that the regulations related to establishing an appellation of origin through CDFA and the Department's regulations

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			on using an appellation of origin clearly establish the requirements for labeling.
17408	1884	Commenter suggests adding a section to ensure consumers understand that certain e-waste products are not disposable, by requiring labeling restrictions prohibiting electronic vaporizer devices from being labeled or advertised as disposable, etc.	The Department disagrees with this comment. Licensee are required to comply with the laws and regulations related to waste, which is not regulated by the Department.
17409	836	Commenter supports that proposed changes to section 17409.	The Department agrees with this comment.
17409	974	Commenter asserts that the Department should specify what constitutes substantiation that information is truthful and not misleading under subsection 17409(a).	The Department believes that the proposed definitions are sufficient to inform licensees regarding the meaning of nonobvious terms that are utilized throughout the regulations.
17410	521, 590, 756, 837, 1182, 1463, 1722, 1821	Commenters express support for the proposed changes to section 17410.	The Department agrees with this comment.
17410	1916, 2121, 2207	Commenters express support for increased flexibility by permitting the Universal Symbol to be printed in either black or white with contrasting background, rather black only.	The Department agrees with this comment.
17410	374, 1394	Commenter expresses support for the addition of the requirement that the universal symbol be made conspicuous on cannabis product packaging by printing the symbol in a contrasting color. Commenter suggests that a specification of the minimum acceptable width of the universal symbol should be added.	The Department disagrees with this comment in part. The Department believes that the specification provided concerning how the universal symbol must appear on product packaging, which requires replication of the symbol in a specified form and height, is sufficient to

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			ensure that it is visible to consumers.
17411	1464, 1723, 1822	Commenters assert that the word “glass” should be struck from subsection 17411(a)(6).	The Department disagrees with this comment. BPC section 26121(e) allows cannabis beverages to be in glass containers.
17411	375	Commenter suggests that the provision which allowed opaque bottles used to contain a cannabis beverage product to utilize a single, vertical, clear strip no wider than one-quarter (0.25) inch for the purpose of determining serving amounts should be added back into the text. Commenter also suggest that cannabis beverages should not be allowed to contain more than one serving.	The Department disagrees with this comment. The Department disagrees with this comment. BPC section 26121(e) allows cannabis beverages to be in glass containers. The exception which previously permitted a strip of clear glass for opaque bottles used for cannabis beverage packaging is no longer necessary, as the use of clear glass is generally permissible under the proposed Act. The Department does not believe it is necessary to limit cannabis beverages to one serving per package.
17411(a)(2)	1248	Commenter asserts that the definition of the term “tamper-evident” contained in subsection 17411(a)(2) should be moved to section 15000 so that all definitions are contained in the same section.	The Department disagrees with this comment. The Department believes that the organization of the proposed regulations is appropriate.
17411(a)(6)	522, 591, 757, 838, 1283, 1315, 1508, 1662,	Commenters express support for the proposed changes to subsection 17411(a)(6).	The Department agrees with this comment.

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	1761, 2067, 2208		
17412	523, 592, 758, 839, 1663, 1762	Comments express support for the proposed changes to section 17412.	The Department agrees with this comment.
17412(a)(2)	1249	Commenter asserts that the labeling requirement contained in subsection 17412(a)(2) should be moved to section 17403.	The Department disagrees with this comment. The Department believes that the organization of the proposed regulations is appropriate.
17412(a)(2)	225, 236, 1592, 2192, 2356, 2402	Commenters suggest that child-resistant packaging should not be required for jarred flower or pre-rolls. Commenter believes that these products require consumer knowledge and child-resistant lighters to ignite and inhale, which maintains consumer safety without that need for child-resistant packaging. Commenter asserts that child-resistant packaging only functions when the product is initially opened and does not provide ongoing protection. Customer also asserts that removing this requirement would reduce plastic waste.	The Department disagrees with this comment. BPC section 26120(a) requires child-resistant packaging for cannabis and cannabis products. Any change to this requirement would require legislative action.
Department Notice	670	Commenter requests that the Department provide licensees with at least a 24-hour notice before a property visit.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Forms and Handouts	2006, 2293	Commenter asserts that local site inspectors are providing licensees with handouts citing old and outdated regulations causing confusion for licensees, and suggests the Department be required to update all forms and handouts prior to holding licensees accountable for compliance with the new	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

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		regulations.	
17800	446, 479	<p>Commenter asserts that Section 17800 should be amended to clarify that the right of access and inspection includes local regulators for any jurisdiction in which the licensee operates.</p> <p>Commenter suggests that subsection 17800(a) should be amended to read as follows: "The Department and its authorized representatives, and representatives of any local jurisdiction in which the licensee conducts commercial cannabis activities, for purposes of inspection, investigation, review, or audit, shall have full and immediate access to:"</p> <p>Commenter suggests that the first sentence of subsection 17800(b) should be amended to read as follows: "Failure to cooperate with and participate in any Department or local jurisdiction investigation pending against the licensee may result in a licensing violation subject to discipline."</p> <p>Commenter suggests that subsection 17800(d) should be amended to read as follows: "Any inspection, investigation, review, or audit of a licensed premises shall be conducted anytime the licensee is exercising privileges under the license, or as otherwise agreed to by the Department or local jurisdiction and the licensee or its agents, employees, or representatives."</p> <p>Commenter asserts that subsection 17800(e) should be amended to read as follows: "If the licensed premises is not</p>	<p>The Department disagrees with this comment. The Department's regulation sets out its requirements for state licensees. Local jurisdictions have the authority to establish the rules and requirements for commercial cannabis activity within their jurisdiction. Licensees are already required to comply with all requirements established by their local jurisdiction, in addition to state requirements.</p>

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		accessible because access is only available by going through another licensed premises and the licensee occupying the other licensed premises denies the Department or local jurisdiction access, the licensees shall both be held responsible and subject to discipline.”	
17800	947, 1052, 1596	Commenter asserts that an employee truck used to pick up nutrients or pest management formulas that might be applied to cannabis plants in the commercial cannabis activities of the licensee should not inherently be subject to inspection and testing under subsection 17800(a)(2). Commenter asserts that subsection 17800(a)(4) should be narrowed to include only subject matter of the licensee’s commercial cannabis activities. Commenter suggests that the word “only” should be added after the word “shall” in subsection 17800(d).	The Department disagrees with this comment in part. The Department believes that the proposed regulations related to right of access are clear and necessary to facilitate compliance activities. However, the Department’s authority is to review records related to commercial cannabis activity, as well as those records stored at the licensed premises. The Department does not believe it is necessary to add the word only as suggested.
17800(a)(4)	1030, 1053	Commenters assert that the Department’s access to records under subsection 17800(a)(4) should be limited to material or records that are relevant to commercial cannabis activity.	The Department agrees with this comment. The Department’s authority is to review records related to commercial cannabis activity, as well as those records stored at the licensed premises.
17800(a)(4)(c)	1958	Commenter asserts that the Department surprise inspection auditors should be required to present a business card or badge before access is granted and sign in and out.	The Department disagrees with this comment. Department staff identify themselves as such, which is sufficient to inform licensees who from the Department is accessing their premises.
17801.1	949	Commenter asserts that the	The Department agrees in

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		Department should adhere to full due process for all licensees for all denials and all enforcement actions that result in revocation, suspension, or penalty.	part with this comment. The Department agrees that licensees receiving a Notice of Violation should be afforded a hearing pursuant to the Administrative Procedure Act. Informal hearings noticed prior to October 1, 2021 will be converted to APA hearings to allow for consistency once the informal hearing process is no longer utilized. BPC section 26050.2 provides that refusal by the department to issue a provisional license, or revocation or suspension by the department of a provisional license, does not entitle the applicant or licensee to a hearing or an appeal of the decision. However, the Department has proposed its provisional license review process in the regulations which includes a notice to the provisional licensee that the Department is considering an action and the opportunity to submit information and hold a meeting to discuss it prior to the Department's decision.
17802, 17810	1256	Commenter asserts that, if the terms "probation" and "interim suspension" are used synonymously, the language of the regulations should be amended to use one or the other.	The Department disagrees with this comment. The Department the terms "probation" and "interim suspension" are not used synonymously in the regulations.
17802(d)	1251	Commenter asserts that, if the terms "contested" and "appealed" are used synonymously, the	The Department disagrees with this comment. The

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		language of the regulations should be amended to use one or the other.	Department believes that use of the terms “contested” and “appealed” throughout these regulations is appropriate.
17805	950	Commenter asserts that the applicability of section 17805 should be limited to retail licensees.	The Department disagrees with this comment. The Department believes it is necessary to extend applicability of section 17805 to all license types for consistency and to ensure licensees are not selling to minors.
17805(a)	1252	Commenter asserts that there is a typo in proposed subsection 17805(a). Commenter suggests that this subsection should be amended to separate the words “this” and “section” in the last sentence.	The Department has corrected this typographical error.
17806	951	Commenter asserts that the applicability of section 17806 should be limited to retail licensees.	The Department disagrees with this comment. The Department believes it is necessary to extend applicability of section 17806 to all license types for consistency. Additionally, nonretail licensees are not open to the public and licensees may only conduct commercial cannabis activities on the premises.
17806	1056	Commenter asserts that employees of cultivation licensees should be able to work outdoors without shirts or in bathing suits.	The Department disagrees with this comment. The Department believes it is necessary to extend applicability of section 17806 to all license types for consistency. Specific types of clothing are not prohibited by the

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			regulation, but any clothing must comply with its requirements.
17806	2260	Commenter asserts this is a prior restraint on free speech conduct, and an attempt to patronize women in this industry. While drafted in a gender-neutral fashion, this law will clearly have a disparate impact on women. Women do not need to be told what they can and cannot wear to work. Moreover, it is a fashion trend to allow the side/bottom of a breast to show. Many women in the topless and nude hospitality industry would likely welcome a more docile patron to interact with. To that end, this regulation restricts a woman's choice about where to work. This regulation is sexist and offensive and commenter recommends deleting in its entirety.	The Department disagrees with this comment. The Department does not regulate or license the topless and nude hospitality industry nor do these rules apply to such establishments. These rules apply to commercial cannabis businesses only. There are no provisions in the Act permitting a licensee to operate a topless or nude hospitality establishment within their premises.
17807	2261	Commenter asserts this is a prior restraint on free speech conduct, and an attempt to patronize women in this industry. While drafted in a gender-neutral fashion, this law will clearly have a disparate impact on women. Women do not need to be told what they can and cannot wear to work. Moreover, it is a fashion trend to allow the side/bottom of a breast to show. Many women in the topless and nude hospitality industry would likely welcome a more docile patron to interact with. To that end, this regulation restricts a woman's choice about where to work. This regulation is sexist and offensive and commenter recommends deleting in its entirety.	The Department disagrees with this comment. The Department does not regulate or license the topless and nude hospitality industry nor do these rules apply to such establishments. These rules apply to commercial cannabis businesses only. There are no provisions in the Act permitting a licensee to operate a topless or nude hospitality establishment within their premises.
17807	376	Commenter suggests that live entertainment should be	The Department disagrees with this

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		prohibited in storefront cannabis retailers to avoid creating social environments where people congregate to consumer cannabis.	comment. The Department does not believe it is necessary to prohibit live entertainment in storefront cannabis retailers or to prevent cannabis consumers from congregating at premises that are properly licensed for consumption. The Department believes that the proposed regulations regarding entertainers and conduct are sufficient to protect the public by ensuring that entertainers do not engage in inappropriate conduct at a licensed premises.
17807	952	Commenter asserts that the applicability of section 17807 should be limited to retail licensees.	The Department disagrees with this comment. The Department believes it is necessary to extend applicability of section 17807 to all license types for consistency.
17808	953, 1574	<p>Commenters assert that subsection 17808(e) should be amended to specify that normal business to business meetings and sales transactions are not prohibited.</p> <p>In some cases, commenter asserts that the applicability of subsections 17808(b), 17808(c), and 17808(e) should be limited to retail licensees.</p>	The Department disagrees with this comment. The Department believes it is necessary to extend applicability of section 17808 to all license types for consistency. The Department believes that subsection 17808(e) is clear regarding the obligations of licensees.
17808(a)	1253	Commenter asserts that the Department should not be able to require payment of any fee that is not expressly imposed by the Department.	The Department disagrees with this comment. Proposed subsection 17808(a) addresses failure to pay a fee imposed by the Department. Moreover, it

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			is appropriate to require a licensee to pay a fee the licensee has agreed to, such as when the Department and licensee enter into a settlement that contains an agreed to fine.
17808(a)(2)	34, 40	Commenter suggests adding “objectionable odors as defined by published standards regarding the allowable concentration of terpenes” to the list of objectionable conditions that constitute a nuisance. Commenter asserts that the suggested language is supported by a national standard on the allowable concentration of terpenes within buildings that was published by the American Council on Odor Mitigation and adopted by several California jurisdictions.	The Department disagrees with this comment. Licensees are already required to comply with all laws and ordinances related to odor.
17808(b)	1254	Commenter asserts that the Department should remove all requirements from subsection 17808(b) that extend beyond the licensed premises.	The Department disagrees with this comment. The Department believes it is necessary to extend applicability of section 17808 to all license types for consistency and public safety.
17808(e)	1862	Commenter asserts that subdivision (e) is confusing and unnecessary and should be removed entirely.	The Department disagrees with this comment. Subsection (e) clearly states that grounds for discipline includes situations where a licensee has employed or permitted another person to solicit consumers to purchase cannabis goods under a commission, percentage, salary, or other profit-sharing plan, scheme, or conspiracy.
17813	447, 480	Commenter asserts that	The Department

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		<p>subsection 17813 should be amended to allow for recovery of local jurisdiction costs in cases of cooperative enforcement efforts. Commenter suggests that subsection 17813(a) be amended to read as follows: "In any order in resolution of a disciplinary proceeding for suspension or revocation of a license, the Department may request the administrative law judge to direct a licensee found to have committed a violation or violations of the Act or this division to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case by the state and local jurisdictions."</p> <p>Commenter suggests that subsection 17813(b) be amended to read as follows: "A certified copy of the actual costs, or a good faith estimate of costs where actual costs are not available, signed by the Department's designated representative, or a representative of a local jurisdiction, as applicable, shall be prima facie evidence of reasonable costs of investigation and prosecution of the case. The costs shall include the amount of investigative and enforcement costs up to the date of the hearing, including, but not limited to, charges imposed by the Attorney General or attorney for a local jurisdiction."</p> <p>Commenter suggests that subsection 17813(c) be amended to read as follows: "The administrative law judge shall make a proposed finding of the amount of reasonable costs of investigation and prosecution of</p>	<p>disagrees with this comment. The Department's regulation sets out its requirements for state licensees. The provisions that allow for the Department to recovery costs are contained in BPC section 26031 which only applies to the Department and does not apply to local jurisdictions.</p>

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		<p>the case when requested pursuant to subsection (a). The Department may reduce or eliminate a cost award for state costs, or remand to the administrative law judge where the proposed decision fails to make a finding on costs requested pursuant to subsection (a)."</p> <p>Commenter suggests that subsection 17813(d) be amended to read as follows: "Where an order for recovery of costs is made and timely payment is not made as directed in the decision, the Department or local jurisdiction may enforce the order for repayment in any appropriate court. This right of enforcement shall be in addition to any other rights the Department or local jurisdiction may have to recover costs."</p> <p>Commenter suggests that subsection 17813(g) be amended to read as follows: "Notwithstanding subsection (f), the Department may, in its discretion, conditionally renew or reinstate for a maximum of one year the license of any licensee who demonstrates financial hardship and enters into a formal agreement with the Department and each local jurisdiction for reimbursement within that one-year period for the unpaid costs."</p>	
17814/ Disciplinary Guidelines	1863, 2044, 2263	<p>Commenter suggests amending the disciplinary guidelines – factors to be considered in determining penalties to include record clearance procedures. Commenter suggests amending list item #11 to include, Health and Safety Code section 11361.8; or similar statute(s).</p>	<p>The Department disagrees with this comment. The Department believes that the statutory provisions related to dismissal of offenses contained in the guidelines are consistent with applicable law and it</p>

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			is not necessary to include other provisions.
17814/ Disciplinary Guidelines	2046	Commenter asserts that the Department should modify the Disciplinary Guidelines to specifically classify a violation of the City, County, and Appellation of Origin Labeling, Advertising, and Marketing requirements in §17408(a)(1), §17408(a)(6), and §15000.8(a) as “Serious” violations. Commenter does not believe current penalties are an adequate deterrent.	The Department disagrees with this comment. The disciplinary guidelines are a tool that provides factors to be considered in determining penalties and examples of The Department disagrees with this comment. The disciplinary guidelines are a tool that provides factors to be considered in determining penalties and examples of violations and penalties. The guidelines are not meant to be inclusive of all violations. In assessing a violation, the considers the totality of the circumstances, including the factors in section II of the disciplinary guidelines as well as the totality of the circumstances. As a result, a violation categorized as minor may result in a penalty higher than the standard range within the disciplinary guidelines.
Disciplinary Guidelines	1943	Commenter asserts that the disciplinary guidelines are too lax on waste issues, as not a single waste violation is punishable by a fine over \$1,000.	While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Disciplinary Guidelines	1607	Commenter asserts that the proposed regulations should be amended to categorize violation severity from minor to serious for violations of advertising, marketing, labeling and packaging	The Department disagrees with this comment. The disciplinary guidelines are a tool that provides factors to be considered in determining

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		requirements for all cannabis designations of origin, including appellation of origin, city, county & city and county of origin, while also providing for a one time, first-offense moderate violation in order to appropriately support sufficient licensee education regarding these requirements.	penalties and examples of violations and penalties. The guidelines are not meant to be inclusive of all violations. In assessing a violation, the considers the totality of the circumstances, including the factors in section II of the disciplinary guidelines as well as the totality of the circumstances. As a result, a violation categorized as minor may result in a penalty higher than the standard range within the disciplinary guidelines.
17815(d)	1257	Commenter suggests that the Department should provide a timeframe that specifies how long an administrative hold under 17815(d) will remain in effect.	The Department disagrees with this comment. The Department does not believe it is necessary or reasonable to impose a timeframe as suggested. The time frame for an administrative hold will depend on the circumstances of the particular situation.
17815(e)(3)	1258	Commenter asserts that the provisions of subsection 17815(e)(3) should also apply to cultivation licensees.	The Department agrees in part with this comment. Generally, the Department will utilize its embargo authority to place a hold on cannabis. In such situations cultivators will be able to continue cultivating while the cannabis is under embargo.
Research	2430	Commenter asserts that the State earmarks every year millions for cannabis research, but none of this money goes towards research.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the

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			development of policies for future rulemakings.
Research Funding and Grants	2238	Commenter asserts that the Department should utilize the University of California Office of the President's Research Grants Program Office (RGPO), for its expertise and resources. RGPO administers a diverse range of research programs, and encourages the Department to explore partnering with RGPO to administer and manage the Department's award program.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17900	377	Commenter asserts that section 34019 of the Revenue and Taxation Code mandates that \$10,000,000 be allocated annually for research purposes to research on the outcomes of cannabis legalization on public health, public safety, criminal justice, and the environment, and to determine if regulatory actions have been aligned with the purpose of the Act. Commenter asserts that the proposed text of 17900(b), which conditions the dispersal on the availability of funding, contradicts section 34019 of the RTC and is consequently inadmissible.	The Department disagrees with this comment. The Department does not believe that the proposed regulatory text contradicts the Revenue and Taxation code. RTC section 34019 provides that the Department of Finance must estimate revenues to be received and use those estimates when disbursing funds pursuant to section 34019. RTC section 34019 does not require that funds must be dispersed irrespective of whether sufficient revenue has been received to support the dispersal; rather, it provides direction regarding the order in which disbursements should be made from the available revenue based on the estimate generated by the Department of finance.
17900(a)	469, 1390, 1401	Commenters assert that limiting research to universities stunts the growth and understanding of cannabis science and disallows	No substantive amendments have been proposed to section 17900, rather it was

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		science to keep up with new and emerging products and technologies dedicated to cannabis consumption. Commenter suggests that the eligibility for research funding should be extended to neutral unbiased third-party testing labs to perform a blind study on the common and uncommon inhalable products that are in the California market to begin identifying the safety of electronic devices.	moved within the regulations. RTC 34019 contains the provision that mandates to whom grant funds must be disbursed. The suggested amendment would require legislative action.
17901(a)	2237	Commenter states that “notify” is spelled incorrectly.	The Department notes the typographical error.
17902	2232	Commenter asserts that the Department should clarify that it uses a peer review process to assess scientific merit of proposed projects, as this is typical for considerations of scientific merit, and will provide qualified review and transparency.	No substantive amendments have been proposed to section 17902, rather it was moved within the regulations. While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17902	2233	Commenter asserts that the Department should provide justification to applicants not selected for Department research funding; constructive feedback adds transparency.	No substantive amendments have been proposed to section 17902, rather it was moved within the regulations. While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17902, 17904	2223	Commenter asserts that the word “staff” should be replaced with “key personnel,” as there is a	No substantive amendments have been proposed to sections

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		distinction in most research universities.	17902 or 17904, rather it was moved within the regulations. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17903	2234	Commenter asserts that the regulations should acknowledge the obligation to use the California Model Agreement for funding requirements, per Education Code section 67325.	No substantive amendments have been proposed to section 17902, rather it was moved within the regulations. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17905	2235	Commenter asserts that clarification is needed to align record retention requirements with standard research administration expectations; commenter asserts there is a distinction between and data and research records, and clarification is needed.	No substantive amendments have been proposed to section 17905, rather it was moved within the regulations. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Department and Regulations Generally	1, 6, 7, 9, 10, 165, 166, 179, 180, 355, 365, 378, 573, 868-874, 910, 911, 1032,	Commenters express general complaints and comments about the Department and commercial cannabis regulations.	While not on the proposed action the Department notes commenters' complaints and looks forward to working with stakeholders on policy development for future rulemakings.

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	1047, 1060, 2209, 2367, 2460		
Guidance	186	Commenter requests specific legal guidance for property owners on how to avoid discrimination in the renting space and advice on what laws they need to follow.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Miscellaneous	219, 221, 691, 797,	Miscellaneous emails sent to public comment inbox.	While not on the proposed action the Department notes receipt of these emails.
BCC Regulations	2384	Commenter asserts that applying BCC regulations across the board is inappropriate and a better categorization of applicability is needed.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Prohibition on Use of Certain Physical Areas	2440	Commenter asserts the prohibition on the use of certain physical areas and the inability as a practical matter to share certain areas is unnecessary and unwarranted.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Land Use Issues	2451	The commenter asserts the State should step out of land use and deal with licensing and let local jurisdictions deal with land use.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Reduce Burden to Entry	2333	Commenter asserts the Department should constantly look at how to reduce the burden to entry, the costs of license fees, and in particular, the taxes.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies

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			for future rulemakings.
Hemp	2266	Commenter asserts that hemp should be incorporated into the licensed system, and suggests that the regulations related to incorporating hemp be drafted and disseminated in the next iteration of the regulations.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Regulatory Concerns	70, 2447	Commenter asserts that greenhouse and outdoor cultivators with less than an acre cannot survive or make a profit because of overregulation and constantly changing regulatory obstacles. Commenter suggests that there should be more distinctions made in the regulations to address the disparities experienced by greenhouse and outdoor cultivators, including an amendment to allow these types of cultivators to employ agricultural workers at a 6-day/10-hour rate rather than non-ag worker at a 5-day/8-hour rate. Commenter also suggests that cannabis licensees should be taxed based on income and allowed to deduct actual costs and expenses incurred. Commenter also requests that cannabis be removed from the scheduled list.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Stakeholder Engagement	133, 154	Commenters believe that the Department should engage in regular, comprehensive dialogue with cannabis operators, community stakeholders, and representative member-based organizations. The Department should also conduct better promotion to solicit meaningful stakeholder input.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Taxes	115	Commenter asserts that it is unfair to require all types of licensees to	While not on the proposed action the Department

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		pay taxes on the same day. Commenter believes many retailers are requiring 30 or 60-day payment terms and delaying payment to distributors and manufacturers to use the funds for payment of their own taxes. Commenter asserts that there is no mechanism by which distributors and manufacturers can collect money on which they already owe taxes. Commenter suggests that taxes should come due at the time of product drop-off or that licensees should only be taxed on cash they have actually collected.	notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Taxes	657	Commenter asserts that the Department should contemplate methods that ensure the timely payment of invoices to distributors, including the required excise tax remittance.	While not on the proposed action the Department notes commenters' suggestion. While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Taxes	668	Commenter requests that the Department remove the cultivation tax. Commenter asserts that cannabis products should have a 2-year shelf life rather than a 1-year shelf life.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Taxes	671	Commenter suggests separating the tax rules and structures for the various license types.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Taxes	720, 2183	Commenter asserts that the state	While not on the proposed

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		provides the unlicensed supply chain their biggest competitive advantage by keeping an extraordinarily complex system of multi-tiered, compounding taxes across the licensed supply chain.	action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Medicinal Tax Exemption	816, 987	Commenter asserts that the Department should expand the definition of "medical cannabis patient" back to the intent of Prop 215 in all relevant facets, including extending the sales tax exemption to those with a valid medical recommendation from a doctor in good standing.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Department Engagement with Licensees	173	Commenter expresses concern that the Department's relationships with cultivators and distributors have not been positive. Commenter asserts that the Department treats cultivators and distributors as if they're engaged in criminal activity when they are trying to comply with the law.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Criminal and Civil Liability	308	Commenter suggests that cannabis businesses should be held liable for accidents or deaths caused by their impaired patrons. Commenter also suggests that the law imposing liability should establish standards for evaluating impairment caused by cannabis products.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Support for Other Commentor	677	Commenter supports the commenters submitted by the Public Health Institute.	The Department notes commenters' support for comments submitted by the Public Health Institute.
Support for Other Commentor	1033	Commenter supports the comments submitted by the Green Cross.	The Department notes commenters' support for comments submitted by Green Cross.
Support for Other Commentor	919, 984, 1031, 1049,	Commenter expresses supports for the comments provided by the Origins Council.	The Department notes commenters' support for comments submitted by

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Section of Regulation	Comment Numbers	Summary of Comments Received During 45-Day Comment Period	Department Response
	2452, 2352, 2369, 2375, 2391, 2422, 2434, 2435, 2446, 2452, 2465	In some cases, commenter expresses support for comments by Michael Katz, for the plight of the small farmer.	Origins Council and Michael Katz.
Publication of Regulations	1737, 1836	Commenter suggests that the Department should publish a single clean copy .pdf with all applicable changes after this rulemaking is complete.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Rulemaking Process	1675, 1774	Commenter asserts that the Department should publish every question submitted by applicants and licensees along with the response from the Department.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

Summary and Response to Comments Received During the 15-Day Comment Period

Section of Regulation	Comment Numbers	Summary of Comments Received During 15-Day Comment Period	Department Response
15000, 16202, 1500.7, 15415, 17305, 17117, 15047.1, 17300, 17814, 15006, 15023, 15040.1, 15303, 15306	30	Commenter expresses support for the changes made to these sections.	The Department agrees with this comment.
15000.7(c), 15004(a)(3) 15027, 15034, 15301(e), 15306, 15311, 15709, 15726(h), 17411(a)(6) , Gender Neutral Language	229-239, 423, 424, 425,	Commenter expresses support for the changes made in these sections.	The Department agrees with this comment.
15000.3, 15000.7, 15027, 15415, 15706, 15306, 16202, 17305	340, 349, 379,	Commenters express support for the changes made in these sections.	The Department agrees with this comment.
Gender Neutral Language	267, 340,	Commenters express support for the changes made in these sections.	The Department agrees with this comment.
15000(h)	268, 269, 285, 295, 305, 310, 348, 360, 381, 408,	Commenters object to inclusion of kief in the list of examples in the definition for cannabis concentrate. Commenters also state there continues to be confusion of whether an infused pre-roll is considered a cannabis concentrate.	The Department disagrees with this comment. Kief was already included in the definition, however the definition of kief was included rather than the

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Section of Regulation	Comment Numbers	Summary of Comments Received During 15-Day Comment Period	Department Response
			term. The substance of the definition of cannabis concentrate has not changed. If the Department reverted to the prior terminology, kief would still be considered a cannabis concentrate. Kief has always been defined as a cannabis concentrate. Infused pre-rolls are not cannabis concentrates. They are pre-rolls infused with cannabis concentrate. They are inhaled cannabis products.
15000(i)	361,	Commenter requests a new term for cannabis goods such as packaged goods, retail goods, or cannabis consumer packaged goods.	The Department disagrees with this comment. The Department's terminology corresponds with terminology used in the Act.
15000(y)/ 15307.2	245,	Commenters state the change would allow manufactured products to be tested in their final form prior to packaging and labeling which would increase efficiency and reduce packaging waste which they support.	The Department disagrees with this comment. As stated in section 17401, manufactured cannabis products shall not be transferred to a distributor for regulatory compliance testing unless they are in their final form and packaged and labeled for retail sale. However, the Department looks forward to working with stakeholders on the development of policies that increase efficiency and reduce packaging waste in future rulemakings.
15000(ss), 16202	36, 202, 240, 296, 320, 355, 410, 454,	Commenters request light-deprivation not be an activity that requires a mixed-light license, but also be allowed under an outdoor	The Department agrees with these comments in part. The Department made this modification to

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	465	license. Other commenters request light deprivation not be removed as an activity permitted under mixed-light. Other commenters request clarity regarding cultivation without artificial light under a mixed-light tier 1 license. Some commenters mistakenly believe light deprivation is not permitted under outdoor and mixed light cultivation and oppose the change. Other commenters express support but request clarity regarding light deprivation activities.	the text following the 45-day comment period. Outdoor and mixed-light licensees may utilize outdoor/natural light as well as light deprivation. Mixed-light tier 1 licenses are not required to use artificial light. While the license permits such use, it is not required. To the extent that commenters did not understand the changes and believe adoption is inappropriate due to their misinterpretation that light deprivation would not be permitted under outdoor and mixed light cultivation the Department disagrees that implementation is inappropriate in this rulemaking.
15000(tt)	312, 362	Commenters request addition of kief so that it may be included in pre-rolls.	The Department disagrees with this comment. Pre-rolls are already permitted to have kief in them as indicated by the definition for pre-roll.
15000(xx)	37, 320	Commenters express support for the removal of the ban on using light deprivation under an outdoor license.	The Department agrees with this comment.
15000(ppp)	31, 308, 311, 343, 383, 392	Commenters express support for the definition of terpenes but request that the Department ensure that the definition explicitly excludes synthetic flavorings such as popcorn and bubblegum from inhalable products.	The Department agrees in part with this comment. The Department has specifically limited the flavonoids that may be added to inhaled products to those that are naturally occurring and contribute to the flavor of cannabis. As such, artificial, synthetic, or natural flavorings that do not contribute to the natural

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			flavor of cannabis are not permitted. Flavors that would be prohibited under this definition include, but are not limited to, menthol, mint, mango, strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, coffee, popcorn, and bubblegum.
15000(ppp)	411,	Commenter supports definition generally but requests the Department consider replacing the term terpene with phytochemical in a future rulemaking.	The Department agrees with this comment and notes commenters suggestion regarding future rulemakings.
15000(ppp)	242, 363,	Commenters state that two additional definitions should be added: one for terpenes inclusive of terpenoids; and one for polyphenols, inclusive of flavonoids. Commenters also state that secondary metabolites and phytochemicals are a broader category of compounds that include terpenes and flavonoids and should not be in the definitions of either terpenes or flavonoids.	The Department disagrees with this comment. As commenters demonstrate there is significant overlap in the use of terms. The Department has found the terms are routinely used interchangeably to refer to a group of compounds. Therefore, a singular, expansive definition that captures all the allowable compounds is appropriate. The Department has specifically limited the flavonoids that may be added to inhaled products to those that are naturally occurring and contribute to the flavor of cannabis. As such, artificial, synthetic, or natural flavorings that do not contribute to the natural flavor of cannabis are not permitted. Flavors that would be prohibited under this definition include, but are not limited to, menthol, mint, mango,

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			strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, coffee, popcorn, and bubblegum.
15000(ppp)	504	Commenter states definition of terpene is not accurate but does not provide any recommendations.	The Department disagrees with this comment. The Department has provided a definition that accounts for the compounds that contribute to the natural aroma and flavor of cannabis.
15000.3(b)	354	Commenter requests amendments to exclude a driveway passing through the premises to access a residential dwelling or alter the definition of premises, so it isn't required to be contiguous for cultivation.	The Department disagrees with this comment. The section does not prohibit a driveway through the premises.
15000.3(c)	39, 246	Commenters state the section should allow for processing to occur in a private residence. Other commenters request allowing all cannabis operations to occur within a private residence.	The Department disagrees with this comment. The regulations limit use of the living areas of a private residence in an effort to preserve the privacy afforded to individuals in their home. However, in recognition of the unique nature of cultivation premises the Department has determined that areas of a private residence that are not the living areas such as sheds, barns, greenhouses, and offices may be used for processing and other permitted activities as commenter requests.
15000.3(c)	321	Commenter notes support for the clarification but notes offices within the private residence should continue to be permitted.	The Department agrees with this comment. The regulations limit use of the living areas of a private residence to preserve the

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			privacy afforded to individuals in their home. However, in recognition of the unique nature of cultivation premises the Department has determined that areas of a private residence that are not the living areas such as offices may be used for commercial cannabis activity. The use of an office within a private residence as described by commenter is permitted under this section.
15000.3(f)	412	Commenter expresses support for the changes made in this section.	The Department agrees with this comment.
15000.3(f)/ 15007.3(f)	41, 321, 247	Commenters state cultivators should be exempted from the requirement because hoop houses are removed at a certain point in cultivation. Other commenters state that movable agriculture chemical storage containers would be prohibited. Other commenter asserts shipping containers should be exempt from the prohibition on having wheels and being readily movable.	The Department disagrees with this comment. As commenters assert hoop houses and movable agriculture chemical storage containers are equipment used in the cultivation of cannabis. Nothing in this section is intended to prohibit cultivators from using necessary equipment such as hoop houses, tarps, and movable agriculture chemical storage containers. To ensure structures used to store cannabis and cannabis products are not readily movable and thus unsecured, the Department has required that they not be on wheels. Exempting shipping containers would increase opportunities for theft.
15000.3(g)	321	Commenter notes general support for distinguishing personal	The Department agrees with this comment. In

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		cultivation from commercial cultivation on a premises or land parcel. However, commenters request that the Department focus on education to address unintentional non-compliance while implementing the regulation.	implementing new regulatory or statutory requirements the Department prioritizes education and bringing the licensee into compliance over formal disciplinary action.
15000.3(g)	248	Commenter opposes prohibition of personal cultivation on licensed premises and provided exemption.	The Department disagrees with this comment. Department staff have indicated that there is a significant problem with being able to distinguish personally cultivated cannabis from commercially cultivated cannabis on licensed cultivation premises. This section provides for clear separation of such activities while allowing for both activities to occur.
15000.7(c)	249,	Commenter generally supports modifications but recommends further exemption for bathrooms and changing areas if licensee can demonstrate that inventory and storage areas are only accessed by the same personnel and have a means of non-solid wall separation.	The Department disagrees with this comment. The need for solid wall separation between storage areas and bathrooms and changing facilities is to ensure that cannabis and cannabis products are not contaminated by hygiene activities occurring in such facilities.
15000.7(c)	270, 413, 434	Commenters express support for changes made in this section.	The Department agrees with this comment.
15000.7(d)	414, 434	Commenter expresses support for changes related to shipping containers.	The Department agrees with this comment.
15000.7(d)	251	Commenter expresses support for change but states modifications to other sections must be made to allow for shipping containers used on a temporary basis to be exempt from the prohibition of structures resting on wheels. Commenter also states temporary storage should not	The Department agrees in part with this comment. Prior approval under section 15027 is not required. However, licensees must provide a notification to the Department. The

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		require prior approval.	Department does not agree that temporary storage containers should be exempt from the restriction on structures resting on wheels. In order to ensure premises are secure and not susceptible to ready theft, the Department has determined that structures used for cannabis activity must not be readily movable.
15002(b)(5), 15002.1(b)(3)	43, 44, 252, 322	Commenters express support changes to allow for assessor parcel number and location.	The Department agrees with this comment.
15006(e)	253	Commentors express support for the clarifications regarding scale of premises diagrams.	The Department agrees with this comment.
15006	455,	Commenter opposes requirement for diagram to be to scale and provide dimensions of premises.	The Department disagrees with this comment. The Act requires an accurate premises diagram to scale; however, the Department has clarified the extent to which the diagram must be to scale.
15011(a)(1)	50, 254, 323	Commenters express support for change allowing licensees to include annual scheduled closure periods for their site. Some commenters request addition of provision for licensee to provide update to Department on annual closure periods.	The Department agrees with his comment. Pursuant to section 15023 licensees may provide updates to the Department about items contained in their application.
15011	457,	Commenter disagrees and states it is hard to have an exact window of time where someone is available.	The Department disagrees with this comment. Changes to this section allow a licensee to provide an annual closure schedule if they choose, but such a schedule is not required.
15027	255, 271	Commenters support general efforts to streamline but request removal of prior approval	The Department agrees with these comments and notes commenters'

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		requirements for shipping containers at minimum. Other commenters state support for the amendment.	support of the changes. The regulation does not require prior approval for shipping containers. Licensees must submit a notification to the Department within 3 business days of making the change.
15035	256,	Commenters state support but request further modification to only require notification if the revocation is related to the licensed premises or the commercial cannabis activities at any location.	The Department agrees in part with this comment and notes commenters support. The phrase “license, permit, or other authorization” is used throughout the Act and these regulations to refer to local authorization to conduct commercial cannabis activity. Owners of a license are not required to report the revocation of a building permit for their personal home.
15040.1	298, 463, 498, 520	Commenters recommend removing the phrase “used to describe a type of alcohol or alcoholic beverage.”	The Department disagrees with this comment. Removal of the phrase would not be a substantive change. Whether the phrase is “any other term used to describe a type of alcohol or alcoholic beverage that may create a misleading impression...” or “any other term that may create a misleading impression...” the result will be the same and use of the term will be prohibited. Thus, the proposed change is not substantive but rather syntactical and would cause further confusion.
15041.3	258	Commenters support exemption to restriction on changing the	The Department agrees with this comment.

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		designation of a trade sample to allow for change in designation to a medicinal donation.	
15047.1	204	Commenter states California does not need RFID plant tags.	The Department agrees with this comment. The requirement for plant tags to be RFID enabled was removed following the 45-day comment period. The Department notes commenters' support of the change.
15047.1	83, 317, 475, 478,	Commenters oppose removal of RFID from the plant tag definition as such removal will increase illicit activity. Commenters recommend requiring all immature plants except clones be tagged with an RFID plant tag.	The Department disagrees with this comment. Licensees are still required to track all cannabis plants. The removal of the RFID requirement does not eliminate licensees' responsibility to comply with the Act and the regulations. The Department utilizes disciplinary actions against bad actors to reduce illicit activity rather than continuing regulatory burdens on licensees that are not engaging in such activity.
15303	297, 364, 521	Commenters express support clarification that pre-rolls must be packaged and labeled prior to regulatory testing. Other commenter supports clarification but states that pre-roll should not have to be labeled with cannabinoid content.	The Department agrees with this comment. Pre-rolls like all cannabis products may be labeled with cannabinoid content following regulatory compliance testing by a distributor.
15303(b)	309, 314, 346, 384, 393, 415, 464, 499,	Commenter objects requirement that pre-rolls be packaged and labeled prior to testing.	The Department disagrees with this comment. The changes are necessary to align provisions related to pre-rolls and testing. Additionally, requiring packaging and labeling prior to testing reduces

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			risk of contamination of the pre-rolls while samples are undergoing regulatory compliance.
15306	272	Commenter supports amendment to timeframes and reiterates prior support to removal of a physical copy of the COA.	The Department agrees with this comment.
15415(d)	70, 71, 366,	Commenters support amendment to require delivery employees to return to the licensed premises only when they have unsold inventory to return.	The Department agrees with this comment.
15700(rrr)	32, 307, 315, 341, 382, 391	Commenters express support for disclosing quantities of all euphorigenic cannabinoids, however, they state that the change will require packaging changes for some manufacturers and request a grace period. Other commenters support delaying implementation until December 31, 2022 and allowing retailers to sale inventory until July 1, 2023.	The Department agrees in part with this comment and notes commenters' general support for the changes. In adopting new regulatory requirements, the Department recognizes that licensees may experience compliance issues as they transition their operations. In enforcing the regulations, the Department will be prioritizing education over discipline and assisting licensees with coming into compliance.
15700(rrr), 15000(ppp), 17303.1	241, 244, 356, 357,	Commenter states amendments to these sections could be read to allow chemically synthesized hemp-derived delta-8 THC and delta-9 THC which they strongly oppose.	The Department disagrees in part with this comment. Read together the sections clearly prohibit chemically synthesized hemp-derived delta-8 THC and delta-9 THC. The Department notes commenters support of regulations prohibiting such ingredients.
16202	66, 192, 198, 332,	Commenters request amendments to allow light deprivation under outdoor and mixed-light cultivation. Commenters support amendment to allow light deprivation on outdoor	The Department agrees with this comment. Both outdoor and mixed-light cultivators may utilize outdoor cultivation and

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		cultivation sites and align with statutory requirements.	light deprivation.
16308	33, 385, 394	Commenters request the section be revised to include the ability to use canopy areas for clones in addition to seeds. Commenters state this will allow cultivators to better protect their intellectual property and breeding programs by allowing them to propagate clones in-house.	The Department disagrees with this comment. The Department has determined at this time that use of the canopy area to produce seeds for use by the licensee is appropriate however expanding to clones requires further Department review and consideration outside of this rulemaking.
17300, 17302.1, 17303.1	300, 518	Commenter notes general support but requests grace period on enforcement.	The Department agrees in part with this comment and notes commenters' general support of the changes. In adopting new regulatory requirements, the Department recognizes that licensees may experience compliance issues as they transition their operations. In enforcing the regulations, the Department will be prioritizing education over discipline and assisting licensees with coming into compliance.
17303.1, 15000(rrr)	8, 9, 10, 11, 12, 114, 115, 197	Commenters state section should be amended to add botanicals or dried botanicals as an allowable ingredient in inhaled products or as items included under the definition of terpene. Commenters state botanicals have the same properties as terpenes.	The Department disagrees with this comment. The terms botanicals and dried botanicals are too broad. Without limitation the terms would permit any botanical, even those that are unsuitable or unsafe for consumption or that would create characteristic flavors that are attractive to children. The Department has

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			specifically limited the terpenes that may be added to inhaled products to those that are naturally occurring and contribute to the flavor and aroma of cannabis. As such, natural flavorings or botanicals that do not contribute to the natural flavor of cannabis are not permitted. Flavors that would be prohibited under this definition include, but are not limited to, menthol, mint, mango, strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, and coffee.
17303.1, 15000(ppp)	195, 387,	Commenter states the section is overly restrictive and prohibits certain flavoring ingredients. Commenter recommends amending to include terpenes and FEMA GRAS flavoring ingredients.	The Department disagrees with this comment. The Department has specifically limited the flavonoids that may be added to inhaled products to those that are naturally occurring and contribute to the flavor of cannabis. This ensures that inhaled products not only contain only those ingredients that are safe for consumption but also ensures flavors are not added to products that would make them attractive to children by masking the flavor and aroma of cannabis. The Department has specifically limited the flavonoids that may be added to inhaled products to those that are naturally occurring and contribute to the flavor of cannabis.

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			As such, artificial, synthetic, or natural flavorings that do not contribute to the natural flavor of cannabis are not permitted. Flavors that would be prohibited under this definition include, but are not limited to, menthol, mint, mango, strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, coffee, popcorn, and bubblegum.
17303.1	316	Commenter states that if kief is removed from the definition of cannabis concentrate, then it should be added to the list of permissive ingredients in this section.	The Department disagrees with this comment. Kief has always been classified as a cannabis concentrate.
17303.1	243	Commenter requests the Department adopt the previously proposed language of botanically derived to prohibit the inclusion of synthetic terpenes.	The Department disagrees with the comment. While the Department removed botanical as a descriptor term in this section, the Department included a more descriptive definition for terpenes that precludes synthetic compounds as commenter wants. The Department has specifically limited the terpenes that may be added to inhaled products to those that are naturally occurring and contribute to the flavor and aroma of cannabis. As such, artificial, synthetic, or natural terpenes that do not contribute to the natural flavor and aroma of cannabis are not permitted. Flavors that would be prohibited under this definition include, but are not limited to,

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			menthol, mint, mango, strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, coffee, popcorn, and bubblegum.
17303.1	196	Commenter requests 12-month grace period from the date the regulation becomes effective.	The Department disagrees with this comment. The Department has specifically limited the ingredients that may be added to inhaled products to ensure that inhaled products not only contain only those ingredients that are safe for consumption but also ensures flavors are not added to products that would make them attractive to children by masking the flavor and aroma of cannabis. Given the potential harm to health and safety a grace period is not appropriate.
17401	34, 306, 353, 380, 409,	Commenters request the section be revised to include an exception to packaging and labeling for the information contained on the batch sticker such as the manufacture date, best-by date, and UID. Commenters state when a manufacturer has a non-arm's length relationship with the distributor; currently have to sticker products at manufacturing facility and distribution facility.	The Department disagrees with this comment. Information such as the manufacture date and best-by date are best included at the point of manufacture thus the regulations require this information be included on the label by the manufacturer. Distributors are not permitted to engage in the activity described by commenters.
17401	199	Commenters request Department reinstate rule allowing manufacturers that also have a distributor license to re-label and re-package their products on their distribution premises.	The Department disagrees with this comment. Distributors were never able to re-package or re-label cannabis products. The products have always

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			been required to be packaged/re-packaged and labeled/re-labeled on the manufacturing premises. Commenters misinterpreted the repealed regulatory language referenced.

Summary of Nonrelevant Comments Received During the 15-Day Comment Period

Section of Regulation	Comment Numbers	Summary of Nonrelevant Comments Received During 15-Day Comment Period	Department Response
General	276	Commenter states Department should consider methods to ensure timely payment between licensees.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings. The Department does not have the authority to adjudicate contract disputes between licensees.
General Packaging	2	Commenter has recommendations on general packaging requirements.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
General	3	Commenter asks what regulations are doing to protect the environment.	While not on the proposed action the Department notes commenters' question and looks forward to working with stakeholders on the development of policies for future rulemakings.
Batch Tagging, Following,	319, 375, 442, 470, 471,	Commenters expresses support for activities that are not on the proposed action including reducing	While not on the proposed action the Department notes commenters'

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Legacy Genetics		tag requirements by allowing batch tagging, allowing fallowing, and providing a pathway to bring legacy genetics into the commercial market.	suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Consumer Access to COAs	376,	Commenters state consumers do not have access to COAs. Requests addition of QR code for consumers.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
AB 145	377,	Commenters request Department incorporate hemp.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Replacement Applications	378,	Commenters request process to change license types through a replacement application.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
High THC	18	Commenter expresses concern for high THC levels in cannabis products generally.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Support for Another Commenter	333, 338, 353, 439,	Commenters express support for comments submitted by Origins Council.	The Department notes commenters' support of comments submitted by Origins Council.
Support for Another Commenter	349,	Commenter expresses support for comments submitted by Holly Carter and Oxalis Integrative Support Service.	The Department notes commenters' support of comments submitted by Holly Carter and Oxalis Integrative Support Service.

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Section of Regulation	Comment Numbers	Summary of Nonrelevant Comments Received During 15-Day Comment Period	Department Response
Definitions	342,	Commenter requests that all definitions be consolidated into this section.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings. Where possible the Department has consolidated definitions applicable to the entirety of the regulations in the general section applicable to all licensees. However, many definitions, such as those contained in the chapter applicable to testing laboratories are only applicable to that chapter, thus inclusion in the general section would not be appropriate.
Owner Submittals	430,	Commenter states owner submittals require the full employment history of the owner.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Cap on Licenses	449	Commenter requests the Department cease issuing new cultivation licenses and prevent licensed cultivators from expanding their canopy due to oversupply.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
Tax Payments	113	Commenter states cultivators do not report the real amounts sold.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

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15000(ii)	73	Commenter proposes changes to add “any area where cash is held or processed” to the definition of limited access area.	While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15000(rr)	74,	Commenter proposes amending the definition of medicinal cannabis patient.	While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15000(bbb)	75	Commenter proposes amending definition of pre-roll to include infused pre-rolls containing cannabis oil.	While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15000(ccc), 15006(h)(5) (i)	38, 49	Commenters request an amendment to the definition of premises to allow for non-contiguous premises.	While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings. Act defines premises as a contiguous area; thus, commenters suggestion would require a legislative change.
15000(ff), 17304	207	Commenter states there is a lack of clarity as to whether infused pre-rolls would be included in the definition of concentrate and whether cannabinoid content limits on concentrates are applicable to infused pre-rolls.	While not on the proposed action the Department notes commenters’ suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

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15000(bb)	7	Commenter objects to inclusion of tissue cultures in definition of immature plant.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15000.1	208, 287, 433,	Commenter states there is no pathway to resolve or dispute incomplete transfers in METRC. Distributors will complete the transportation of a transfer to a licensee; however the recipient licensee does not resolve it in METRC on their end. Request regulations grant distributors the authority to resolve transfers that remain incomplete in METRC due to inaction on the part of the recipient licensee.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15000.1	76	Commenter request adding provisions regarding a testing laboratory's ability to test medicinal cannabis from a patient.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings. Licensed testing laboratories are permitted to accept samples from medicinal cannabis patients in accordance with the requirements provided in the Act.
15000.8-1500.10	86, 266, 418	Commenter objects to the regulations not including trademark protections for appellations, specific record violations, and inclusion of misuse of appellations as a serious violation in the disciplinary guidelines. Other commenter states it is not clear how appellation requirements will be verified before products are eligible to use an appellation of origin.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings. The Department does not have the statutory authority to impose

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			<p>restrictions on trademarks as such are regulated under federal law. All records related to commercial cannabis activity, including appellations must be maintained for 7 years. The disciplinary guidelines are a tool that provides factors to be considered in determining penalties and examples of violations and penalties. The guidelines are not meant to be inclusive of all violations. In assessing a violation, the considers the totality of the circumstances, including the factors in section II of the disciplinary guidelines as well as the totality of the circumstances. As a result, a violation categorized as minor may result in a penalty higher than the standard range within the disciplinary guidelines. Lastly, The Department disagrees with this comment. The disciplinary guidelines are a tool that provides factors to be considered in determining penalties and examples of violations and penalties. The guidelines are not meant to be inclusive of all violations. In assessing a violation, the considers the totality of the circumstances, including the factors in section II of the disciplinary guidelines as well as the totality of the circumstances. As a</p>

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			result, a violation categorized as minor may result in a penalty higher than the standard range within the disciplinary guidelines.
15001.3	265	Commenter requests the Department amend the section to establish due process rights for provisional license holders.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings. While not required by the Act the Department has provided licensees with a pathway to come into compliance prior to revocation or non-renewal of a provisional license. Additionally, as the provisional licensing process is not separate or distinct from the annual licensing process, all appeal rights, including right to a hearing, still apply upon denial of an annual license. Provisional licensees are not afforded the right to appeal upon revocation of the provisional license because a final decision on their annual application has not yet been reached; it is mere revocation of a limited temporary privilege under specific circumstances while an applicant continues through the application process.
15001.4	419,	Commenter requests prevention of environmental harms be grounds for immediate suspension of a provisional license.	While not on the proposed action the Department notes commenters' suggestion and looks

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			forward to working with stakeholders on the development of policies for future rulemakings.
15002	288, 289	Commenter requests the Department clarify alternative means whereby applicants and licensees can submit information to the Department when experiencing outages with the licensing portal. Commenter requests the Department require a single set of fingerprints for all licenses an applicant applies for.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15003	209, 435,	Commenters generally support improvements to the section but feel the definition is still too broad, specifically subsection (a)(1)(E).	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15000.3(d)	40	Commenters request that in cases of access being denied to one premises by the licensee occupying an adjoining premises, the only the licensee denying access be held responsible.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings. In all cases of potential discipline, the Department considers the specific circumstances. However, it is a licensee's responsibility to ensure that the Department has access to their premises. Whether or not such access could be prevented by another licensee is a business consideration for the licensee to consider when selecting a premises.
15000.6	445,	Commenter objects to age restrictions.	While not on the proposed action the Department

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			notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15001.1	42	Commenter objects to the cultivation size limitations for provisional licensees.	While not on the proposed action the Department notes commenters' objection to the requirements. The Act specifies the total cultivation size allowable for provisional licenses. The recommended amendments would require a legislative change.
15001, 15012, 15020, 15023, 15048.1, 17305, 17801, 17801.5	201, 263, 290, 291, 230, 359,	Commenters state that timeframes for Department response or action should be included in various sections throughout the regulations.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15002(b)(10)	466, 491, 513	Commenter objects to the requirement that an owner be the contact for the application.	While not on the proposed action the Department notes commenters' objection. The Act requires an owner to submit the application.
15004.1	337, 350,	Commenter objects to section regarding the independence of testing laboratories.	While not on the proposed action the Department notes commenters' objection. The Act requires licensed testing laboratories maintain independence from other laboratories to preserve the integrity and independent nature of laboratory testing.
15006(c)	45,	Commenter requests section be amended to clarify storage refers to product storage.	While not on the proposed action the Department notes commenters' suggestion and looks

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			forward to working with stakeholders on the development of policies for future rulemakings. However, the Department does not believe such an edit is necessary as storage is listed as an example of commercial cannabis activities and thus clear that the reference is to storage of cannabis and cannabis products.
15006(h)(5)	46, 47, 48, 441, 443, 444, 456,	Commenter requests amendments to allow for cultivators with multiple licenses to have single nursery, processing, and packaging areas for all licenses without separate nursery and processor licenses.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15010(b)	88-89	Commenter reasserts its position that the Department should adopt proposed edits related to CEQA.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15011(h)	51	Commenter requests applicants not be required to provide additional information to the Department.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings. In recognition of the uniqueness of every application the Department utilizes this provision to request additional information that is specific to a particular applicant when such information is necessary

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			to decide whether to issue or deny the application.
15012	52	Commenter requests amendment to 180 days for timeframe to pay license fee before the application is deemed abandoned.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15014	472, 473,	Commenter objects to fee tiers. Commenter objects to fee based on expected revenue of new licensee.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15015(c)	53, 218, 437, 448, 474,	Commenter requests removal of penalty fee for under payment. Some commenters specifically request removal for distributors.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15020	54, 55, 264,	Commenter requests expiration date of license be the last date to renew without penalty and that late penalties be 50% of the application fee rather than license fee.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15020	56,	Commenter requests power source disclosures be limited to indoor or mixed-light tier 2 licenses as they are more energy intensive.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15020	259,	Commenter requests formal mechanism to allow cultivators to fallow their crops year-to-year by making one or more licenses inactive.	While not on the proposed action the Department notes commenters' suggestion. The Department also notes

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			that licensees may request to fallow under the Department's disaster relief provisions.
15021	57	Commenter objects to denials on additional grounds and states denials should not be subject solely to the opinion of the reviewer.	While not on the proposed action the Department notes commenters' suggestion. The decision to deny an application is made after multiple levels of Department review. Additionally, applicants can appeal the denial of an annual license.
15024.1	58	Commenter requests timeframe to request sale of cannabis and cannabis products after termination of a license be amended from 14 days to 30.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15025, 15402	476, 483, 506.	Commenter objects to prohibition on drive-thru areas.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15027	59	Commenter requests amendment to remove requirement that applicant receive approval from the Department prior to making a change or alternation to the premises that materially or substantially alters the licensed premises or its use.	While not on the proposed action the Department notes commenters' suggestion. The Act requires licensees receive approval from the Department prior to making a change or alternation to the premises that materially or substantially alters the licensed premises or its use. The recommended change would require a legislative change.

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15034	324,	Commenter supports edits and requests clarity on whether section applies to all licensees.	While not on the proposed action the Department notes commenters' support. As stated in the initial statement of reasons the section has been extended to apply to all licensees.
15035(b)	60, 467	Commenter objects to requirement for licensees to disclose civil penalties or judgments rendered against an owner of the license.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15037	427,	Commenter states support of record retention provisions but objects to requirement of maintain records for 7 years.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15040.2	426, 447, 462,	Commenter states licensees should be able to hold raffles like alcohol and tobacco companies.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15041.1	210, 257, 299, 334, 339, 365, 429, 458, 460, 482, 94,	Commenter states vape chargers and cannabis accessories should be included as branded merchandise. Commenter also requests that license number be on the exterior packaging or price tag label of the merchandise rather than permanently affixed. Other commenters object to requirement that license number be permanently displayed on the item and request allowance of placement of the license number on the inside of an item or on a tag.	While not on the proposed action the Department notes commenters' suggestion. Cannabis accessories are not included as branded merchandise because branded merchandise may be provided to consumers for free as part of a business promotion. However, cannabis accessories are explicitly prohibited from being provided for free as part of

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			a business promotion under the Act. Additionally, the Act requires the license number of the responsible licensee be included on all advertisements. Branded merchandise falls firmly under the definition of advertising contained in the Act, thus the license number must be included on all branded merchandise in a permanent manner. The requested changes would require a legislative change.
15041.2-15041.7	35, 90, 200, 203, 211, 212, 213, 214, 215, 261, 278, 279, 280, 335, 386, 461, 477, 95,	Commenters request amendments to permit designation of 2-5% of each batch for trade samples. Other commenters oppose the limits on product lines. Commenters recommend removing reporting requirements for employees that receive trade samples for consumption. Commenters recommend increasing carry limits in smaller vehicles for distributors utilizing sales representatives. Other commenters object to cultivators and manufacturers not receiving their trade samples back. Other commenters request METRC be revised to accommodate trade sample transfer requirements.	While not on the proposed action, the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15042.1	77	Commenter requests security plan for licensed manufacturers be exempted from disclosure under the Public Records Act.	While not on the proposed action the Department notes commenters' suggestion. While the Department is unable to include commenters' suggestion in regulation, the Department withholds confidential security information pursuant to the exemptions established under the

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			Public Records Act.
15042	61, 62	Commenter requests requirements apply only to secured areas of a licensed premises. Commenter also requests cultivators be exempted from prohibition on receiving consideration or compensation for access to the licensed premises as it will prevent cannabis tourism.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15047	325	Commenter requests Distributor Transport Only licensees be exempt from this section.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15047.1	216, 274	Commenter states limits on amount of package tags licensee can order are arbitrary and too low.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15047.1(b)	313, 347,	Commenter requests RFID requirement be removed from package tags.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15048.2	326	Commenter notes support for updates to this section. Commenters request that there be no limit on number to tags that may be ordered.	While not on the proposed action the Department notes commenters' support.
15048.2	205,	Commenter states immature lot should have no limit on number of plants included.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

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15048.4	84, 318, 459,	Commenter opposes tracking of immature plants by lots of 100.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15048.4(b)	260, 440,	Commenter requests tracking of mature plants by batches of 100, as is currently allowed for immature plants, rather than tagging each individual plant. Other commenters request not having to tag mature plants.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15048.5(c)	63, 327,	Commenter requests amendments to labeling and storage requirements.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15049.2	217, 281, 283, 284, 285, 286,	Commenter states METRC must fully integrate the ability for licensees to directly enter product transfers via the API, ensure that there is a web app sandbox, provide METRC mes, resolve data privacy issues, and use terminology consistent with the regulations.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15050	219, 282,	Commenter requests section be revised to allow distributors to conduct transport when they lose access to the track and trace system.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15052	220, 294, 336, 479, 502	Commenters object to requirements related to retesting returned cannabis and cannabis products. Commenters state distributor should be able to destroy returned , products without having to retest them.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies

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			for future rulemakings. Distributors are not required to retest returned cannabis and cannabis products that they are destroying. Distributors may destroy returned products.
15052	328,	Commenter offers support of requirement that both licensees' consent prior to conducting a return. Commenter requests clarity regarding type of manifest required.	While not on the proposed action the Department notes commenters' support.
15303	2, 395, 480, 481, 503,	Commenter states distributor should be able to package and label cannabis and cannabis products as well as process cannabis. Another commenter recommends using ADA containers that are easy to open for seniors. Another commenter states distributors should be permitted to label and re-label a manufactured cannabis product with the amount of cannabinoids and terpenoids.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15306	492, 514	Commenter objects to requirement that certificate of analysis be provided to licensee that produced the batch.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15307	221, 273, 396, 406, 407	Commenter objects to requiring Department approval of corrective action plan when cannabis goods fail final QA inspection. Other commenters state distributor should be able to re-label for things other than just cannabinoids.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15307.2	92	Commenter objects to restriction on transferring unpackaged batches after laboratory testing.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the

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			development of policies for future rulemakings.
15308	64	Commenter requests exception to insurance requirements for self-transport licensees.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15311	277, 329, 482, 505	Commenter requests additional amendments to allow for short-term vehicle rentals. Other commenter requests further definition regarding what is meant by cannot be accessed from inside the vehicle.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15314	222, 293,	Commenter states that including destruction and disposal of cannabis products as an activity that must be captured on a shipping manifest creates confusion as waste companies are not licensed by the Department and do not have a METRC account to link a manifest to.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15407	24, 428, 519,	Commenter states all retailers should be able to sale food and beverages.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15407	78, 93, 497,	Commenter recommends removing the prepackaging requirement for food and beverages sold at a consumption lounge. Other commenters express support of limiting food sales on a licensed premises to those retailers that have a consumption lounge, but requests amendments to allow for prepared food. Other commenter supports but recommends further allowances to sell coffee beverages	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

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		that can be made to order onsite.	
15409	358, 416,	Commenter states the section containing daily limits is missing.	The section remains in effect. As no changes have been proposed to the section in this rulemaking, the section was not included.
15411	19, 20, 21, 22, 23, 29, 79, 80, 85, 98, 191, 304, 452, 484, 507,	Commenter objects to requirement for retailers to have an M-designation to provide medicinal donations to medicinal cannabis patients pursuant to this section. Other commenters state patients should be able to apply for MMIC cards online and they should be eligible for 2 years.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15413	485, 508,	Commenter objects to child-resistant packaging on dried flower.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15417	82, 344, 486, 509,	Commenter objects to vehicle requirements. Other commenter states definition is not clear enough. Other commenter requests reason for why a trunk was chosen as appropriate area for securing cannabis goods in delivery vehicle.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15417	487, 510	Commenter states dash cams should be required in delivery vehicle.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15418	438, 500, 522	Commenter objects to increase in amount of cannabis goods that may be carried in a delivery vehicle.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies

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			for future rulemakings.
15418	96	Commenter recommends increasing limit of cannabis goods that may be carried in a delivery vehicle to \$15,000.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15421	223,	Commenter requests clarification on degree the regulation is applicable to supply chain licensees.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15421	292	Commenter requests amendments to allow delivery drivers the ability to deviate from delivery path due to legitimate safety concerns.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15427	97	Commenter recommends allowing all retailer-to-retailer transfers inventory not just those with the same ownership.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15603.1	330	Commenter expresses support for this section.	While not on the proposed action the Department notes commenter's support.
15706	81	Commenter suggests amendments to allow laboratories to add or modify existing chain of custody rules to accommodate samples submitted by law enforcement.	While not on the proposed action the Department notes commenters' suggestion. Licensees may test samples for law enforcement. However, licensees should not be using the chain of custody form provided for regulatory compliance

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			testing of licensed cannabis and cannabis product samples. Licensees are free to develop chain of custody forms for their use in testing items for law enforcement.
15719	338, 351,	Commenter requests the Department establish action levels for category 1 pesticides or base the failure criteria on the established LOQ maximum of 0.10 µg/g..	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15719, 15720, 15721, 15723,	389, 390, 391, 392, 393, 394, 400-405	Commenter states cannabis products should only have to comply with testing standards for the cannabis components and standards should not apply to other components.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
15722	339, 352,	Commenter states it is unclear what constitutes an "insect fragment."	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
16201	65	Commenter requests amendments to include outdoor cultivation under mixed-light licenses.	While not on the proposed action the Department notes that outdoor cultivation is already permitted under mixed-light licenses therefore changes are not needed.
16201	206	Commenter states a refund should be available for any cultivator that obtained a mixed-light license solely for light deprivation who may now use an outdoor license for this purpose.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

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16202	493, 494, 515, 516	Commenter states if a local jurisdiction requires odor mitigation for a licensed indoor cultivation premises, then the minimum standard should be a carbon filter-based system. Commenter recommends Department establish airflow analysis requirement.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
16300(c)	262	Commenters request amendments to allow transfer of clones and tissue cultures between licensees and provide a pathway for the entry of unsourced legacy genetics, and for an unlimited number of seeds to be entered into the track and trace system.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
16300(c)	67	Commenter requests amendments to require a nursery license only if propagating immature plants and/or seeds for sale.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
16302	68	Commenter requests removal of the restriction on use of R&D results.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
16304,	420,	Commenter states not all environmental laws were included in the section.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
16305	421, 450, 451, 453,	Commenter requests canopy size limits and removal of subsection (b) to remove allowance for carbon offsets.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies

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			for future rulemakings.
16306	69, 250, 446, 447,	Commenter requests removal or extension to 2025 of the deadline to comply with generator requirements.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17117		Commenter states manufacturers should be permitted to manufacturer accessories on the premises.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17202/17212		Commenter recommends redefining components.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17206	373,	Commenter suggests removing subsections regarding recertification.	While not on the proposed action the Department notes commenters' suggestion.
17211.1		Commenter requests Department exempt manufacturers from the food handler certification requirement if the licensee facilitates an in-house safety training program.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17221(c)	224	Commenter requests changes to include the transfer manifest on the weighmaster certificate.	While not on the proposed action the Department notes commenters' suggestion. The changes requested would require a legislative change to the laws related to weighmasters.
17223	397,	Commenter supports edits to allow recycling.	While not on the proposed action the Department

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			notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17223/ 15000(l)/ 17814	397-407,	Commenter opposes changes to rendering waste, proposes new definition of cannabis waste, recommends creation of waste operator license, requests more guidance on waste, requests digital warnings to eliminate packaging waste, eliminate exit bags to reduce waste, and commenter states disciplinary guidelines are too lax in relation to waste.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17225	488, 511	Commenter objects to requirement as overly burdensome.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17300	25, 26, 490,	Commenter objects to restrictions.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17300	193, 512,	Commenter requests clarity on how a determination on potency, toxicity, or increased psychoactivity is determined. Other commenter objects to the ban on dairy.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17300	27, 28	Commenter supports not marketing products that are attractive to children.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the

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			development of policies for future rulemakings.
17300(n)/17303.1	367, 417,	Commenter states the Department should reconsider its ban on metered dose inhalers and dry powder inhalers as the Department should not be dictating the method used for patients to consume cannabis.	While not on the proposed action the Department notes commenters' objection. The Department has not banned all forms of dry-powder cannabis or metered dose products. However, the Department has banned products that mimic medical inhalers as such an imitation poses significant threat to human health and safety.
17300, 17302.1, 17303.1	468, 496,	Commenter offers general support for increased product safety standards but requests a grace period on implementation.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings. In adopting new regulatory requirements, the Department recognizes that licensees may experience compliance issues as they transition their operations. In enforcing the regulations, the Department will be prioritizing education over discipline and assisting licensees with coming into compliance.
17301(a)	194, 501, 526	Commenter states that the FDA list referenced in this section is not all inclusive and therefore should be deleted.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17302.1/15 000(rrr)	431, 432, 452,	Commenter strongly supports size limit but opposes ingredient list.	While not on the proposed action the Department

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			notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17302.1	4, 13, 14, 15, 16, 17, 72, 116-190, 225, 275, 469, 517, 87, 91, 101-112, 301, 302, 303, 495,	Commenters oppose requirement to limit tinctures to 2 fl oz. Some commenters request limit of 8 fl oz.	While not on the proposed action the Department notes commenters' suggestion. In adopting new regulatory requirements, the Department recognizes that licensees may experience compliance issues as they transition their operations. In enforcing the regulations, the Department will be prioritizing education over discipline and assisting licensees with coming into compliance.
17303.1	226, 388, 436,	Commenters state that citing to FDA database is inappropriate and the Department should create a list of prohibited ingredients for all inhalable cannabis products.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17401	227, 345	Commenter requests amendments to packaging and labeling requirements.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17403		Commenter has questions regarding terminology.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the

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Section of Regulation	Comment Numbers	Summary of Nonrelevant Comments Received During 15-Day Comment Period	Department Response
			development of policies for future rulemakings.
17403	99	Commenter proposes that the requirement for bold print be removed.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17403(b)	369	Commenter states all cannabis products should include the cultivator responsible.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17406	100	Commenter proposes that the requirement for bold print be removed.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17407	370,	Commenter requests cannabinoid content be required on a label on the bottle of tinctures so that consumers know the dosage for the life of the product.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.
17407, 15307.1	228	Commenter requests clarity on whether cannabis goods may be labeled with cannabinoid content that is within a 10% variance of the COA results.	While not on the proposed action the Department notes commenters' suggestion. Products that are labeled with a cannabinoid content are not considered inaccurate if they are within 10%. However, nothing in the regulations permits the cannabinoid content on a label to be changed to a

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			number that is within 10% of the results on the COA. Such activity is a violation of the Act, the regulations, and other laws and may be reported via the Departments complaint portal.
17806, 17807	371, 372,	Commenter states sections are a restraint on free speech.	While not on the proposed action the Department notes commenters' objection.
17814	368, 374,	Commenter states the factors to be considered in determining penalties in the Disciplinary Guidelines should be amended to include criminal record clearances.	While not on the proposed action the Department notes commenters' suggestion and looks forward to working with stakeholders on the development of policies for future rulemakings.

Alternatives That Would Lessen the Adverse Economic Impact on Small Business

No alternative proposed to the Department that would lessen any adverse economic impact on small businesses were rejected by the Department.

Alternatives Determination

The Department determined that no alternatives it considered or that was otherwise identified and brought to its attention would be more effective in carrying out the purpose for which the regulation is proposed, would be as effective and less burdensome to affected private persons and equally effective in implanting the statutory policy or other provision of law.

The amendments adopted by the Department are the only regulatory provisions identified by the Department that accomplish the goal of consolidating the regulations from three separate licensing authorities into one set of regulations that are applicable to all commercial cannabis license types. The final regulations are organized in a manner that allows applicants and licensees to navigate the regulations and locate specific provisions ensuring clarity and consistency in requirements across license types.

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