

California's Bureau of Cannabis Control Emergency Regulations

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California's Bureau of Cannabis Control, as well as regulators from the state's Public Health, and Food and Drug departments have released their lists of regulations to reflect the passage of California's Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). The emergency regulations are expected to be initiated beginning in early December in advance of the state's adoption of adult-use cannabis come January 1, 2018. For any commercial cannabis business to obtain a license, they will be required to be in compliance with all local laws as well as these new regulations from the Bureau, Public Health, and California FDA.

Depending on which line of business you're in not all of the regulations outlined by the Bureau will affect you and your company. Remember, the Bureau's rules are specific for retailers, distributors, micro-businesses, events licensing and labs that test for quality control. For your convenience, we have taken the time to explain the key points from the guidelines and regulations outlined by the three regulatory groups. Here's a (very) brief run down of the new regulations from the Bureau of Cannabis Control.

Overview of Regulations from the Bureau of Cannabis Control:

- Temporary Licenses (valid while annual licenses is pending/120 days)
- The Bureau will only issue temporary licenses to businesses with a valid license, permit, or other specific authorization from the local jurisdiction where the applicant is operating business from.
- Annual Licenses (valid for 12 months from date of issuance, may be renewed annually)
- ALL commercial cannabis activity shall be conducted between licensees.
- There is no specific number limit to the licenses that may be held by an applicant. There is no restriction on the types of cannabis licenses a person can hold, except a person who holds a testing laboratory license is prohibited from licensure in any other commercial activity.

Local Compliance Verification:

- If the applicant provides a local license, permit, or other authorization, the Bureau will contact the local jurisdiction to verify the information and
- will allow at least 10 days for the jurisdiction to respond before issuing the license, unless a response is received from the local jurisdiction sooner.
- If an applicant for an annual license does not provide a local license, permit, or other authorization, the Bureau will contact the local jurisdiction to verify that issuing the license would not violate a local ordinance or regulation. After 60 days, if there is no acknowledgement by the local jurisdiction, the Bureau shall presume the applicant is in compliance and may issue a license.

License Designations:

- Licensees must hold an A-license to engage in adult use commercial cannabis activity and an M-license to engage in medicinal commercial cannabis activity. The exception is testing laboratories, which may test cannabis goods for both license types.

The entire document is well worth the reader's time to take in, too. However, of particular note as outlined by the Bureau is a transition window that will begin on January 1, 2018 and will close on July 1, 2018. Notably during this window, licensees will be afforded the following:

- Conduct business with other licensees irrespective of the M or A designation on their licenses.
- Transport cannabis goods that do not meet the labeling requirements (prescribed by MAUCRSA or the California Department of Public Health) if a sticker with the appropriate warning statement is affixed.

- Sell cannabis goods held in inventory that are not in child-resistant packaging if they are placed into child-resistant exit packaging by the retailer at the time of sale.
- Sell cannabis products that do not meet the THC limits per package established by the state Department of Public Health.
- Sell and transport cannabis goods that have not undergone laboratory testing if a label stating that they have not been tested is affixed to each package containing the goods prior to transport by a distributor or prior to sale if held by a retailer.
- Individually package and sell dried flower held in inventory by a retailer at the time of licensure.
- Cannabis products held in inventory by a retailer that do not meet the requirements set by the state Department of Public Health for ingredients or appearance may be sold by a retailer.

And of course, just as important as what a licensee is allowed to do during this transition window, it's important to know what a licensee CANNOT do. The Bureau is very clear on this with the following (and yes, that bolding was placed there for emphasis by the Bureau):

- **Beginning January 1, 2018, licensees shall not transport or sell any edible cannabis product that exceeds 10 milligrams per serving. Adult-use products may not exceed 100 milligrams per package; however, medicinal cannabis products may exceed 100 milligrams per package.**

For the full list click on [here](#) and contact MMLG for any guidance on navigating the turbid waters of legal commercial "cannabusiness"!