

CHEAC Summary BCC Cannabis Regulations

[Distribution, Transportation, Retailers, and Laboratories](#)

The Bureau of Cannabis Control (BCC) has released proposed permanent regulations focused on the application, licensing, and operating requirements for the distribution, transportation, retail, and testing of cannabis throughout California. These regulations are only slightly modified from the April 2018 emergency regulations package. We encourage members to read the entire proposed regulations document released by the BCC; however, a summary of the most relevant revisions is provided below.

Key Revisions Made in Regulations

- Adds definitions for cannabis accessories, kief and preroll.
- Clarifies that temporary licenses will not be issued or extended beyond December 31, 2018.
- Requires the use of specific forms for licensees to submit to the BCC for operating procedures for transportation, inventory, nonlaboratory quality control procedures, security procedures, cannabis waste management procedures, and delivery procedures.
- Clarifies that each licensed premises must have a distinct street address and/or suite number.
- Prohibits dispersing cannabis in the air throughout a premises by an oil diffuser or any other vaporizing device unless done in accordance with a local ordinance that specifically allows this in their jurisdiction.
- Prohibits the use of certain advertising techniques that may be attractive to minors, including the use of objects, such as toys, inflatables, movie characters, cartoon characters, or any other display, depiction, or image likely to be appealing to minors.
- Prohibits advertising free cannabis goods or giveaways of any type of product.
- Prohibits the transfer, donation, sale, and giving away of cannabis waste.
- Requires all retail exit packaging to be resealable and child-resistant in addition to the existing opaque packaging requirement.
- Adds a provision that allows retailers to deliver to any jurisdiction in California.

CHEAC Summary – BCC Revised Regulations (Distribution, Transportation, Dispensaries, and Laboratories)

August 8, 2018

- Requires applicants for temporary cannabis events to provide a detailed premises diagram indicating where each licensed retailer will be located, where cannabis consumption will occur, and where cannabis sales will occur. Limits licensed retailers to only selling cannabis goods in their designated area.
- Allows the Bureau to issue an emergency decision to avoid the immediate danger to public health, safety, or welfare.

Chapter 1. All Bureau Licenses

Definitions (Pages 1-2)

- Defines “cannabis accessories” to mean any equipment, products or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis or cannabis products into the human body (as defined in Health & Safety §11018.2).
- Defines “kief” to mean the resinous trichomes of cannabis that have been separated from the cannabis plant.
- Defines “pre-roll” to mean any combination of the following rolled in paper: flower, shake, leaf, or kief that is obtained from accumulation in containers or sifted from loose, dry cannabis flower or leaf with a mesh screen or sieve.

Temporary License Application Requirements (Pages 2-4)

- Temporary licenses or extensions will not be issued after December 31, 2018. Any temporary license issued or extended with an expiration date after December 31, 2018, will be valid until it expires.

Annual License Application Requirements (Pages 4-9)

- Requires all applicants to use and submit to the Bureau forms for
 - Transportation procedures (Form BCC-LIC-015)
 - Inventory Procedures (Form BCC-LIC-016)
 - Non-Laboratory Quality Control Procedures (Form BCC-LIC-017)
 - Security Procedures (Form BCC-LIC-018)
 - Cannabis Waste Management Procedures (Form BCC-LIC-019)
 - Delivery Procedures (Form BCC-LIC-020)

Premises (Pages 27-28)

- Requires that each license shall have a designated licensed premises that must include a distinct street address and suite number, if applicable.
- Alcoholic beverages as defined in Business & Professions Code § 23004 shall not be stored or consumed on a licensed premises.
- Cannabis is prohibited from being dispersed in the air throughout the premises or throughout a portion of the premises by an oil diffuser or any other vaporizing device that is intended to disperse the vapor throughout the premises. Clarifies that this section shall not be interpreted to prohibit cannabis consumption on the premises of a retailer or microbusiness that is conducted in accordance with Business & Professions Code §26200(g), which allows local jurisdictions to permit the smoking, vaporizing, and ingesting of cannabis or cannabis products on the premises of a retailer or microbusiness under certain circumstances.
- Allows for an applicant or licensee to have a drive-in or drive-through window if, prior to June 1, 2018, the licensee or applicant received a license or permit from the local jurisdiction for a premises where a drive-in or drive-through window was disclosed on the local application, or if the licensee or applicant submitted an application to the local jurisdiction for a license or permit which, at the time of the application, included information that a drive-in or drive-through window was already part of, proposed to be a part of, the premises, and the local jurisdiction approves the premises after June 1, 2018.

Advertising Placement (Pages 35-36)

- Prohibits the use of any advertising that uses objects, such as toys, inflatables, movie characters, cartoon characters, or that includes any other display, depiction, or image designed in any manner likely to be appealing to minors.
- Prohibits any advertising offering free cannabis goods or giveaways of any type of products including:
 - Buy one product get one free
 - Free product with any donation
 - Contests, sweepstakes, or raffles

Destruction of Cannabis Products Prior to Disposal (Page 45)

- Prohibits licensees from disposing cannabis goods unless they are disposed of as cannabis waste. All cannabis goods, prior to disposal, must first be destroyed, which includes removing the cannabis goods from any packaging and rendering it unrecognizable and unusable.

Chapter 2. Distributors

Distribution Activities (Page 47)

- Allows a licensed distributor to only distribute cannabis goods, cannabis accessories, and licensees' branded merchandise or promotional materials.

Chapter 3. Retailers

Retail Customers (Pages 56-57)

- Retailers may not sell adult-use cannabis goods to those over 21 years of age until they have confirmed the customer's age and identity by inspecting a valid form of ID.
- Retailers may only sell medicinal cannabis goods to individuals over 18 years of age and who possess a valid physician's recommendation after confirming the customer's age, identity, and physician's recommendation.
- Acceptable forms of ID for such purposes include a document issued by a federal, state, county, or municipal government, or political subdivision or agency, including, but not limited to, a valid motor vehicle operator's license, that contains the name, date of birth, height, gender, and photo of the person. A valid ID card issued to a member of the Armed Forces or a valid US passport or one issued by a foreign government are also considered valid ID.

Exit Packaging (Page 60)

- Requires that exit packaging for cannabis goods purchased by a customer to not only be opaque but also resealable and child-resistant.

Chapter 5. Cannabis Events

Delivery Employees (Page 61)

- Cannabis goods delivery employees must be directly employed by a licensed retailer.
- Limits a retailer's delivery employee during deliveries from any activities except for cannabis goods delivery and necessary rest, fuel, or vehicle repair stops.
- Prior to providing cannabis goods to a delivery customer, delivery employees are required to confirm the identity and age of the delivery customer, and to place the cannabis goods in a resealable child-resistant opaque exit package.

Delivery to a Physical Address (Pages 61-62)

- Allows a delivery employee to deliver to any jurisdiction within the State of California.

Delivery Vehicle Requirements (Page 62)

- Only a licensee or an employee of the retailer licensee for whom delivery is being performed may be in a delivery vehicle.
- During deliveries, cannabis goods must be locked in a box, container, or cage that is secured on the inside of the vehicle.

Cannabis Goods Carried During Delivery (Pages 62-64)

- Limits a delivery employee to only carrying cannabis goods in the delivery vehicle and only to perform deliveries for one licensed retailer at a time. Delivery employees must depart and return to the same licensed premises before taking possession of any cannabis goods from another licensee to perform deliveries.
- Retailer delivery drivers must have a delivery inventory ledger of all cannabis goods provided to the delivery driver prior to leaving the licensed premises. The delivery inventory ledger must include the type of good, the brand, the retail value, the track and trace identifier, and the weight, volume, or other accurate measure of the cannabis good.
- Retailer delivery drivers must maintain a log that includes all stops from the time the retailer's delivery driver leaves the licensed premises to the time that the retailer's delivery driver returns to the licensed premises, and the reason for each stop. The log must be turned in to the retailer when the retailer's delivery driver returns to the licensed premises. A licensed retailer must maintain the log as a commercial activity record.
- If a retailer's delivery driver does not have any delivery requests to be performed for a 30-minute period, the retailer's delivery driver may not make any additional deliveries and must return to the licensed premises.
- When a delivery driver returns to the licensed premises, all undelivered cannabis goods must be returned to inventory and all necessary inventory and track-and-trace records must be updated as appropriate that same day.

Temporary Cannabis Event License (Pages 79-81)

- For required physical layout diagrams for temporary cannabis events, the diagram must now also include all entrances and exits that will be used by participants during the event, the hours during which cannabis goods will be sold, clear indication of the area where cannabis waste will be stored, all areas where cannabis goods will be stored, and the specific location of each cannabis licensee who will be participating in the event.

Temporary Cannabis Event Sales (Pages 81-83)

- Licensed retailers or licensed microbusinesses may only conduct sales activities within their specifically assigned area identified on the diagram of the physical layout of the temporary cannabis event.
- Mobile sales activities via wagon, cart, or similar means are prohibited at temporary cannabis event sites.
- All shipments of cannabis and non-cannabis goods intended for sale at a temporary cannabis event must be checked by the temporary cannabis event organizer staff to prevent prohibited items, such as alcohol or tobacco, from entering the licensed premises.

Temporary Cannabis Event Consumption (Page 83)

- In addition to an existing requirement that all onsite cannabis consumption requirements imposed by the relevant local jurisdiction be followed, the smoking of cannabis goods is prohibited in any areas where smoking is prohibited by law.

Chapter 6. Testing Laboratories

Chain of Custody (COC) (Pages 92-93)

- Requires testing labs to develop and implement chain of custody protocols to ensure accurate documentation is recorded for the transport, handling, storage, and destruction of samples.

Laboratory Transportation of Cannabis Goods Samples (Pages 95-96)

- Creates a series of requirements for licensed testing laboratories transporting cannabis samples including transport in vehicles or trailers where cannabis goods samples are not visible or identifiable from outside the vehicle or trailer, cannabis goods samples must be stored in a locked box, locked container, or locked cage secured inside the vehicle or trailer, transport vehicles must have alarms, and no person under the age of 21 may be in a vehicle or trailer transporting cannabis goods samples.

Remediation and Retesting (Pages 112-113)

- Edible cannabis product batches may not be additionally processed after failed testing.
- Edible cannabis product batches that fail cannabinoid or terpenoid testing may only be remediated by relabeling.
- Licensed distributors or licensed microbusinesses must arrange for remediation of failed cannabis goods batches. Batches that cannot be

remediated must be destroyed by the licensed distributor or microbusiness.

Chapter 7. Enforcement

Emergency Decision and Order (Pages 131-133)

- Allows the Bureau to issue an emergency decision and order for temporary, interim relief to prevent or avoid immediate danger to the public health, safety, or welfare. Causes can include:
 - Cannabis goods at a licensee's premises has a reasonable probability of causing serious adverse health consequences or death.
 - The prevention of the sale, transfer, or transport of contaminated or illegal cannabis goods in possession of a licensee
 - Conditions occur at the licensee's premises that present an immediate risk to worker or public health and safety.
 - The prevention of illegal diversion of cannabis goods, or other criminal activity at the licensee's premises
 - The prevention of the destruction of evidence related to illegal activity or violations of the Act
 - The prevention of the misrepresentation to the public, such as selling untested cannabis goods, providing inaccurate information about the cannabis goods, or cannabis goods that have been obtained from an unlicensed person

Chapter 8. Other Provisions

Research Funds (Pages 133-136)

- Outlines the eligibility, request for proposal process, selection process, release of funds, and reports and records for research funds allocated through the Act.