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Addendum
**Emergency Cannabis Regulations for
Cannabis Manufacturing Licensing
DPH-17-010E**

This document is added to the rulemaking record for DPH-17-010E. It supplements the Department's Finding of Emergency for Cannabis Manufacturing Licensing and further describes changes to the regulations and the necessity for certain provisions of the proposed emergency text.

Specific Regulation Text Revisions

The following amendments have been made to the text originally proposed on May 18, 2018, in order to provide additional clarity and address comments:

Section 40100

- Subsection (d) is amended and sentence re-ordered for grammatical purposes.
- Subsection (n) is amended for grammatical purposes.
- Subsection (r) is amended for grammatical purposes.
- Subsection (kk)(2)(D) is amended for grammatical purposes and to include a more specific reference to regulations of the California Department of Food and Agriculture.
- Subsection (kk)(2)(E) is amended to include a more specific reference to regulations of the California Department of Food and Agriculture.
- Subsection (mm) is amended for grammatical purposes.
- Subsection (rr) is amended to remove the word “facility” and replace it with “premises.”
- Subsection (yy) is amended to remove the word “type.”
- Subsection (ddd) is amended for grammatical purposes.
- The reference section is amended for grammatical purposes.

Section 40101

- Subsection (a) is amended for grammatical purposes.
- Subsections (b) is amended for grammatical purposes.



Section 40116

- The authority section is amended for grammatical purposes.

Section 40118

- Subsection (a)(1)(B) is amended for grammatical purposes.
- Subsection (a)(5) is amended to add the word “commercial cannabis” to the sentence.
- The authority section is amended for grammatical purposes.

Section 40126

- The authority section is amended for grammatical purposes.

Section 40128

- Subsection (a)(1) is amended to note one can also complete an application through “the online licensing system available on the Department’s website.”
- Subsection (a)(1)(C) is amended to show a change of grammar.
- Subsection (a)(1)(C)(2) is amended to show a change of grammar.
- Subsection (a)(1)(C)(3) is amended for grammatical purposes.
- Subsection (b)(2) is amended to better align with Bureau regulations.
- The reference section is amended for grammatical purposes.

Section 40129

- Subsection (a)(3) is amended to show a change of grammar.
- Subsection (a)(7) is amended for grammatical purposes.
- Subsection (a)(9) is amended for grammatical purposes.
- Subsection (a)(9)(A) is amended to provide clarity on the requirement.
- Subsection (a)(9)(B) is amended to provide clarity on the requirement.
- Subsection (a)(10) is amended to provide clarity on the requirement.
- The authority section is amended for grammatical purposes.

Section 40130

- Subsection (b) is amended for grammatical purposes.
- The authority section is amended for grammatical purposes.

Section 40131

- Subsection (c) is amended for grammatical purposes.
- Subsection (e) is amended to show a change of grammar.
- Subsection (f) is amended to show a change of grammar.
- Subsection (i) is amended to show a change of grammar.
- Subsection (j)(3) is amended to replace the word “product” with the word “products.”

- Subsection (l) is amended for grammatical purposes.
- The authority section is amended for grammatical purposes.

Section 40137

- Subsection (a) is amended to add the “the online licensing system available on the Department’s website” and to eliminate the words “or through online submission.”

Section 40150

- The section has been restructured and edited to provide greater clarity on required fees. The changes are nonsubstantive in nature; no amendments have been made to actual regulatory requirements.

Section 40155

- Subsection (a) is amended to add the words “the online licensing system available on the Department’s website” and eliminate the words “through the Department’s online licensing system.”
- Subsection (b) is amended to add words to make clear the licensee fee for the first year is based on estimated gross annual revenue.
- The authority section is amended for grammatical purposes.

Section 40165

- Subsection (a)(6) is amended for grammatical purposes.

Section 40167

- The reference section is amended for grammatical purposes.

Section 40175

- The reference section is amended to show an added citation.

Section 40177

- Subsection (a)(2) is amended to show a change of grammar.

Section 40180

- Subsection (d) is amended to add the words “the online licensing system available on the Department’s website” and eliminate the words “online submission.”
- Subsection (f) is amended to add the words “the online licensing system available on the Department’s website” and eliminate the words “the Department’s online licensing system.”

Section 40200

- Subsection (a) is amended for grammatical purposes.
- The reference section is amended to add the word “Sections.”

Section 40205

- Subsection (c) eliminates the word “or.”
- Subsection (d)(1) eliminates the word “or.”
- Subsection (d)(4) is amended to show the addition of the word “which.”
- Subsection (f) is amended to show the addition of the words “surveillance system.”
- Subsection (g) is amended to show the deletion of the word “shall.”
- The reference section is amended for grammatical purposes.

Section 40220

- The reference section is amended for grammatical purposes.

Section 40223

- Is amended in the header to show there are amendments.
- Subsection (b) is amended to show the addition of the word “ethanol” and the deletion of the word “the.”
- The authority section is amended for grammatical purposes.

Section 40225

- Subsection (b) is amended for grammatical purposes.

Section 40232

- Subsection (a) eliminates the word “or.”
- Subsection (b)(1) eliminates the word “or.”
- Subsection (b)(8) eliminates the word “or.”

Section 40234

- Is amended to show additions of the words “that are” to the instruction paragraph.
- Subsection (e) is amended to show the word “manufacturing” was not deleted twice in this subsection.
- Subsection (e) eliminates the word “or.”

Section 40236

- Subsection (c) eliminates the word “or.”

Section 40238

- Subsection (c) eliminates the word “facility” and adds the word “premises.”
- Subsection (c)(2) eliminates the word “facility” and adds the word “premises.”
- Subsection (c)(3) eliminates the word “facility” and adds the word “premises.”
- Subsection (e) eliminates the word “or.”
- Subsection (e) eliminates the word “facility” and adds the word “premises.”
- Subsection (j) eliminates the word “facility” and adds the word “premises.”

Section 40240

- Adds the word “manufacturing” to the introductory sentence.
- Subsection (b)(1) eliminates the word “facility” and adds the word “premises.”
- Subsection (b)(2) eliminates the word “facility” and adds the word “premises.”
- Subsection (b)(3) eliminates the word “or.”

Section 40256

- Adds the word “manufacturing” to the introductory sentence.
- Subsection (a)(2) eliminates the word “or.”
- Subsection (b)(3) eliminates the word “facility” and adds the word “premises.”
- Subsection (b)(8) eliminates the word “or.”
- The authority section is amended for grammatical purposes.

Section 40258

- The authority section is amended for grammatical purposes.

Section 40262

- Subsection (b)(7)(B) eliminates the word “or” twice.

Section 40264

- Subsection (c)(4)(A) eliminates the word “facility” and adds the word “premises” twice.

Section 40266

- Is amended in the header to show there are amendments.
- Subsection (c) eliminates the word “and.”
- Subsection (d) adds the words “if any.”
- Subsection (d)(3) eliminates the word “or.”
- Subsection (d)(6) eliminates the word “and.”
- Subsection (d)(6) is amended for grammatical purposes.

Section 40268

- Subsection (b)(3) eliminates the word “or.”
- Subsection (b)(3) eliminates the word “and.”

Section 40270

- The authority section is amended for grammatical purposes.

Section 40275

- Subsection (e) is edited for grammatical purposes.
- The reference section is amended for grammatical purposes.

Section 40280

- Subsection (c) is edited to show edits and strikeouts of words added including “assigned” replacing “designated” and “that will be provided to individual personnel” replacing “and training.”

Section 40282

- Subsection (b) is amended to show the addition of the word “at.”

Section 40300

- Subsection (a) is amended to clarify that a tincture that does not meet the definition of “alcoholic beverage” in Business and Professions Code section 23004 is not prohibited.
- Subsection (d) is amended to show grammatical changes.

Section 40305

- Subsection (e) is amended to show grammatical changes.
- The authority section is amended for grammatical purposes.

Section 40308

- This proposed new section was deleted in order to conform Department regulations with Bureau regulations. Commenters expressed concern that Department and Bureau regulatory provisions were in conflict. The Department has chosen to remove this section from the emergency regulation readoption and make further changes, if needed, in the certificate of compliance regulatory package.

Section 40310

- Subsection (a) was amended to show grammatical edits.
- Subsection (d) was amended to show grammatical edits.

Section 40401

- This section has been amended to clarify that the “final form” of a cannabis product to be sold does not need to contain the phrase “FOR MEDICAL USE ONLY” unless the manufacturer chooses to include it or the product contains more than 1,000 mg THC. Commenters expressed concern that this section requiring products in “final form” conflicted with the provision allowing retailers to add a sticker if the product was sold to a medicinal-use customer. The amendments in this section are intended to clarify that the Department does not consider the provisions to be in conflict.

Section 40411

- Is changed to show underlined text added to header.
- The authority section is amended for grammatical purposes.

Section 40415

- Subsection (c) is edited to show change in the citation in the subsection. Comments were received that (1) the provision referenced the “standards” of child-resistance in the Poison Prevention Packaging Act, but actually incorporated only the definition of child-resistant; and (2) the provision was unclear whether the standards were limited to child-resistance, or if it was also intended to cover “senior-friendly” standards. The provision is therefore amended to instead incorporate by reference the standards for determining child-resistance and to clarify that senior-friendly testing is not required.

Section 40515

- The reference section is amended for grammatical purposes.

DOCUMENTS INCORPORATED BY REFERENCE – UPDATED

The incorporation by reference of 16 C.F.R. §1700.1(b)(4) is removed and replaced with 16 C.F.R. §1700.15(b)(1) (Rev. July 1995).

CONTACT PERSON

Inquiries regarding the proposed regulatory action can be directed to Linda M. Cortez, with the Office of Regulations at (916) 440-7807, or the designated backup contact, Dawn Basciano at (916) 440-7367.