

AGREEMENT NUMBER

17-0264

REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE

CONTRACTOR'S NAME

COUNTY OF MONTEREY

The term of this

Agreement is: **May 1, 2018 through November 30, 2018**

3. The maximum amount of this Agreement is: **\$ 27,136.62**
Twenty-Seven Thousand One Hundred Thirty-Six Dollars and Sixty-Two Cents

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	1 page(s)
Attachment 1	2 page(s)
Attachments A-F	41 page(s)
Exhibit B – Budget Detail and Payment Provisions	1 page(s)
Attachment 1	1 page(s)
Exhibit C* – General Terms and Conditions – GTC 4/2017	
Check mark one item below as Exhibit D:	
☒ Exhibit - D Special Terms and Conditions (Attached hereto as part of this agreement)	1 page(s)
☐ Exhibit - D* Special Terms and Conditions	
Exhibit E – Additional Provisions	5 page(s)

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.)

COUNTY OF MONTEREY

BY (Authorized Signature)

DATE SIGNED (Do not type)



PRINTED NAME AND TITLE OF PERSON SIGNING

Henry S. Gonzales, Agricultural Commissioner

ADDRESS

1428 ABBOTT STREET, SALINAS, CA 93901

STATE OF CALIFORNIA

AGENCY NAME

CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE

BY (Authorized Signature)

DATE SIGNED (Do not type)



PRINTED NAME AND TITLE OF PERSON SIGNING

JENNIFER CROW, ACQUISITIONS MANAGER

ADDRESS

1220 N STREET, ROOM 115, SACRAMENTO, CA 95814

*California Department of General
Services Use Only*

☒ Exempt per: **DGS Ltr 28.8**

STATE OF CALIFORNIA
STANDARD AGREEMENT
STD 213 (Rev 06/03)

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Services Use Only**

☒ Exempt per: **DGS Ltr 28.8**

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK

1. Contractor shall provide commercial cannabis cultivation compliance inspections of licensed temporary cultivation sites in support of the Medicinal and Adult-Use Cannabis Regulation and Safety Act for the California Department of Food and Agriculture (CDFA), CalCannabis Program.
2. The services shall be performed in the County of Monterey.
3. The services shall be provided during the hours of 8:00 a.m. through 5:00 p.m., Monday through Friday, except on State holidays.
4. The project representatives during the term of this agreement will be:

State Agency:	Contractor:
Name: Margaret Cornell	Name: Bob Roach
Section/Unit: CalCannabis/Compliance & Enforcement	Section/Unit: County Agricultural Commissioner
Address: 1220 N Street Sacramento, CA 95814	Address: 1428 Abbott Street Salinas, CA 93901
Phone: 916.263.0900	Phone: 831.759.7379
Email: margaret.cornell@cdfa.ca.gov	Email: roachb@co.monterey.ca.us

5. See Attachment 1 in Scope of Work for a detailed description of work to be performed and the duties of all parties.

SCOPE OF WORK

County Cannabis Pilot Inspection Program

The County Agricultural Commissioner's Office (CAC) shall perform defined cannabis cultivation licensing compliance inspections for the California Department of Food and Agriculture (CDFA), Cal Cannabis Licensing Division (Division). Inspections shall be in accordance with the Medicinal and Adult Use of Cannabis Regulation and Safety Act (Act), Section 26069.1, Division 10 of the Business and Professions Code; and the Agreement for Attaining Mutual Objectives between CDFA and the California Agricultural Commissioners and Sealers Association (dated July 31, 2012).

Inspections shall include the following commercial cultivation license types:

Specialty Cottage Outdoor	Small Outdoor
Specialty Cottage Indoor	Small Indoor
Specialty Cottage Tier 1	Small Mixed-Light Tier 1
Specialty Outdoor Tier 2	Small Mixed-Light Tier 2
Specialty Indoor	Medium Outdoor
Specialty Outdoor	Medium Outdoor
Specialty Mixed	Medium Mixed-Light Tier 1
Specialty Mixed	Medium Mixed-Light Tier 2
Microbusiness (Cultivator only)	Nursery
Processor	

County Responsibilities

1. The CAC shall perform compliance inspections of temporary state licensed cultivators, nursery, and processors in compliance with the Act and CDFA regulations as outlined in this agreement using the protocols and forms included as Attachments A-F.
2. The CAC is responsible for scheduling inspections and ensuring that all properties that the CAC has committed to inspecting are completed and all required documentation is submitted to the Division.
3. The CAC agrees to accept an inspection assignment from the Division, which may at times be with short notice.
4. The CAC inspector classification must be at a level that has the ability to provide testimony in an administrative, criminal, civil or other proceeding, as needed.

Temporary License Inspection Requirements

Inspections are site-based and not based on the number of temporary licenses associated with any specific premises. Activities for a property and/or premises may include more than one license, but are considered one (1) inspection and require only one set of documents to be submitted. An inspection shall include all of the following:

1. Complete a CalCannabis Cultivator Inspection Form (Attachment B).
2. Provide the CalCannabis document packet to the Cultivator (Attachment D).
3. Fill out and obtain cultivator signature on CalCannabis Declaration Form (Attachment C).
4. Issue a Notice of Non-Compliance – Temporary License Holder form, when appropriate (Attachment E).
5. Submit the CalCannabis Cultivator Inspection Form, the CalCannabis Declaration Form, and the Notice of Non-Compliance Form, if applicable, to the Division within five (5) business days of inspection.

CDFA Responsibilities

1. The Division shall provide field inspection training to the CAC and designated staff.
2. The Division shall assign a Special Investigator as a point of contact and resource to the CAC for program support and to provide a local presence when requested for meetings or relevant enforcement events.
3. The Division shall provide a list of temporary cultivation license holder addresses by the 15th of the month for the following month's inspections.
4. The Division shall reimburse the CAC not more often than monthly in arrears.

Additional Terms and Conditions

1. CAC shall meet with the Division to discuss areas of mutual concern including, but not limited to training, joint inspections, and lessons learned.
2. CAC shall immediately notify the Division if they are denied access to a state licensed cultivation site, encounter recalcitrant licensees, and/or have criminal concerns.
3. CAC shall provide and maintain CAC inspection vehicles.
4. CAC shall ensure that designated supervisors and inspections personnel attend training provided by Division Special Investigators.
5. CAC shall attend required Division trainings on the California CalCannabis Track-and-Trace system.
6. CAC shall allow Division Special Investigators to accompany designated CAC inspectors and/or supervisors in the field upon request.
7. CAC shall report all serious Violations (as defined in Section 8601(e) Table A of the Emergency Regulations) to CalCannabis within 24-hours of detection.
8. CAC shall provide the Division with applicable information regarding violations, if any, issued to state licensed cultivation licensee associated with pesticide use/application, or weighing and measuring device non-compliance, if any.
9. Forms may be changed or modified based upon prior mutual agreement from both parties or as required by law.
10. Nothing in this agreement prevents or precludes the Division of Compliance and Enforcement staff from performing regulatory inspections or investigations of state licensed cannabis cultivators within the County.

Invoicing

The CAC shall submit an itemized invoice using the template provided as Attachment F, on County letterhead. Invoice shall be monthly, no later than thirty (30) days after the end of the reporting period covered by the invoice.

All invoiced expenses must fall within the parameters of the Scope of Work and must be directly related to administering and conducting Division program-related activities. Questions about invoicing/reimbursement shall be directed to Margaret Cornell via email or by calling (916) 263-0900.

Invoices shall be sent via email to margaret.cornell@cdfa.ca.gov.

The Division shall reimburse the CAC a flat fee of \$200 (two hundred dollars) for each inspection completed as outlined in this agreement.

ATTACHMENTS A-F

Document Handout Packet

Attachment	Title
Attachment A	Definitions
Attachment B	Cultivator Inspection Form
Attachment C	Declaration
Attachment D	Document Hand-out Packet for Licensees
Attachment E	Notice of Non-Compliance – Temporary License Holder
Attachment F	Invoice Template

The Division will supply copies of these handouts to CACs.

ATTACHMENT A

DEFINITIONS

Canopy - the designated area(s) at a licensed premise, except nurseries, that will contain mature plants at any point in time.

(1) Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all area(s) that will contain mature plants at any point in time, including all the space(s) within the boundaries;

(2) Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary which include, but are not limited to: interior walls, shelves, greenhouse walls, hoop house walls, garden benches, hedgerows, fencing, garden beds, or garden plots; and

(3) If mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.

Specialty Cottage Outdoor – Outdoor cultivation site with up to 25 mature plants.

Specialty Cottage Indoor – Indoor cultivation site with 500 square feet or less of total canopy.

Specialty Cottage Mixed-Light - Cultivation site with 2,500 square feet or less of total canopy.

Specialty Outdoor - outdoor cultivation site with less than or equal to 5,000 square feet of total canopy, or up to 50 mature plants on noncontiguous plots.

Specialty Indoor - Indoor cultivation site between 501 and 5,000 square feet of total canopy.

Specialty Mixed-Light - Mixed-light cultivation site between 2,501 and 5,000 square feet of total canopy.

Small Outdoor - Outdoor cultivation site between 5,001 and 10,000 square feet of total canopy.

Small Indoor - Indoor cultivation site between 5,001 and 10,000 square feet of total canopy.

Small Mixed-Light - Mixed-light cultivation site between 5,001 and 10,000 square feet of total canopy.

Medium Outdoor - Outdoor cultivation site between 10,001 square feet and one acre of total canopy.

Medium Indoor - Indoor cultivation site between 10,001 and 22,000 square feet of total canopy.

Medium Mixed-Light - Mixed-light cultivation site between 10,001 and 22,000 square feet of total canopy.

Microbusiness – A vertical business model where one licensee engages in some combination of cannabis activities: cultivation, manufacturing, distribution and/ or retail.

CalCannabis' inspection responsibilities are limited to the cultivation site only. The maximum square feet of cultivation is 10,000 square feet.

Nursery - A licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis. Flowering plants are not on the premises.

Processor - A site that conducts only trimming, drying, curing, grading or packaging of cannabis and nonmanufactured cannabis products. Cultivation is prohibited on the premises.



ATTACHMENT B

CALCANNABIS COMPLIANCE AND ENFORCEMENT BRANCH
CULTIVATOR INSPECTION FORM | TEMPORARY LICENSE

SECTION 1: BACKGROUND DATA			
License #:		Type of License:	
Cultivation Name:		Inspection Date:	
Phone Number:		CDFA Staff Name:	
Responsible Party:		Title of Resp. Party:	
Contact Name:		GIS Coordinates:	
Licensee Mailing Address:		Physical Cultivation Address:	

SECTION 2: PHYSICAL INSPECTION			
ITEM	YES	NO	COMMENTS
Is there anyone else at the premises besides contact?			
If yes – how many other people?			
Hazards Observed (dogs, exit barriers, slips and trips, etc.)			
Is the site located at the physical address indicated on their application?			
Is the CDFA CalCannabis License posted?			
Does the temp license type issued match type observed?			
Are there notable odors? (besides cannabis)			
Do they use/generate Co2? (look for tanks, cylinders, or burners)			
If yes to CO2 generation – do they have a monitor/alarm?			
Gasoline Containers?			
Evidence of burn piles?			
55-gallon drums?			
Propane Cylinders?			
Pesticides (herbicide, fungicides, rodenticides, insecticides, etc.)			
Is there a designated waste area? Secured receptacle of bin?			

SECTION 3: PHOTO CHECKLIST		
☐ Street view of premises	☐ Immature plant area	☐ Shipping Manifest(s)
☐ Posted license	☐ Flowering area	☐ Waste area/secure bin
☐ Weighmaster Certificate	☐ Mothers	☐ Harvested Cannabis Storage Area
☐ Any Hazards (if safe to photograph)	☐ Research and Development Area	☐ Sealed Scales
☐ Water source (if not local utility)	☐ On-site Processing Area	

SECTION 4: QUESTIONNAIRE

What is your power source or who is your service provider?		
How do you get your water? (City, County, well, storage, etc...)		
How many harvests do you project in a calendar year?		
Do you start your plants from:	☐ Seeds ☐ Clones	
Seeds: Where do you get your seeds from?		
Clones: Do you purchase your clones? ☐ Yes ☐ No	From where:	
Do you have Mother plants? (If so, inspect all Mother plants)	Plant Count of mothers:	Number of strain types:
How many times do you use your mother plant for clones?		
What do you do with the mothers when you are will no longer use them for clone harvesting?		
Do you plan to use any type of pesticide on your cannabis plants? If yes, what is your state operator ID #?		
How do you plan to handle your cannabis waste?		
How many employees do you have?		
Do you plan to process harvested cannabis on the licensed premises?		
Do you currently have any processed cannabis inventory on-hand? (Note whether or not the processed cannabis storage area is secure)		
Have you sold or transferred any cannabis or nonmanufactured cannabis products since receiving your temporary license? (If so, gather names and license numbers below).		
How will you sell your cannabis?	☐ Flower ☐ Trim/Leaf ☐ Kief ☐ Pre-Rolls ☐ Other? _____	
Who is your certified as weighmaster?		
Are there scales sealed? Indicate the number of scales & capacity.		
How/where do you plan to store your required records?		
Do you have a flowering canopy on site?		
If yes – measure it – with the Garmin		
Do you use lights? If so, what kind of lights do you use?		
Wattage per light?	Number of lights:	

Who do you sell to (names and license numbers)?

SECTION 5: RECORDKEEPING

- ☐ Shipping Manifest Reviewed
- ☐ No Shipping Manifest Available for review – reason why
- _____



ATTACHMENT C

DECLARATION

CULTIVATOR NAME:		CC LICENSE #:	
DATE OF ISSUANCE:		ISSUED BY:	

This form is official acknowledgment on the part of the undersigned representative that they have participated in a Temporary License Inspection process with a CDFA - CalCannabis Cultivation Licensing Division Special Investigator. I further declare I have authority to represent the company in this inspection.

By signing below, I agree that I received the following documents (as checked):

- | | |
|--|---|
| ☐ Who does what? – 3 Licensing Agency Info Sheet | ☐ Emergency Regulations Summary for Cannabis Cultivators |
| ☐ Regular Rulemaking Flow Chart | ☐ Weighmaster License Application Form & Info Sheet |
| ☐ Scale Information | ☐ DFW – 1602 Licensing Guidance |
| ☐ CalOsha Worker Safety Information | ☐ CDFA – Tax Info – Cannabis Special Notice |
| ☐ DPR – Cannabis Pesticides that are LEGAL to use | ☐ DPR – Cannabis Pesticides that CANNOT be used |

PRINTED NAME & TITLE OF RECIPIENT	SIGNATURE OF RECIPIENT	DATE
PRINTED NAME & TITLE OF ISSUING INVESTIGATOR	SIGNATURE OF ISSUING INVESTIGATOR	DATE

CONTACT POINTS:

For questions regarding commercial cannabis cultivation, nurseries, or processors please call **1-833-CAL GROW**

To report concerns or provide information related to possible illegal activities of cannabis cultivation, nurseries, or processors; please call **1-833-WEED TIP**

California Department of Food and Agriculture
 CalCannabis Cultivation Licensing Division
 Compliance and Enforcement Branch
P.O. Box 942871
Sacramento, CA 94271
916-263-0801
enforcement@cdfa.ca.gov

The Three Licensing Authorities

CalCannabis Cultivation Licensing, a division of the California Department of Food and Agriculture (CDFA), is accepting applications for state medicinal and adult-use (recreational) cannabis cultivation licenses as of **January 1, 2018**.

Bureau

**BUREAU
OF CANNABIS
CONTROL**

Housed within the **Department of Consumer Affairs**, the bureau licenses testing labs, distributors, retailers, and microbusinesses.

1-800-952-5210

bcc@dca.ca.gov

bcc.ca.gov

CalCannabis

**CALCANNABIS
CULTIVATION
LICENSING**

Housed within the **Department of Food and Agriculture**, CalCannabis licenses cannabis cultivators and manages a track-and-trace system.

1-833-CALGROW (225-4769)

calcannabis@cdfa.ca.gov

calcannabis.cdfa.ca.gov

MCSB

**MANUFACTURED
CANNABIS SAFETY
BRANCH**

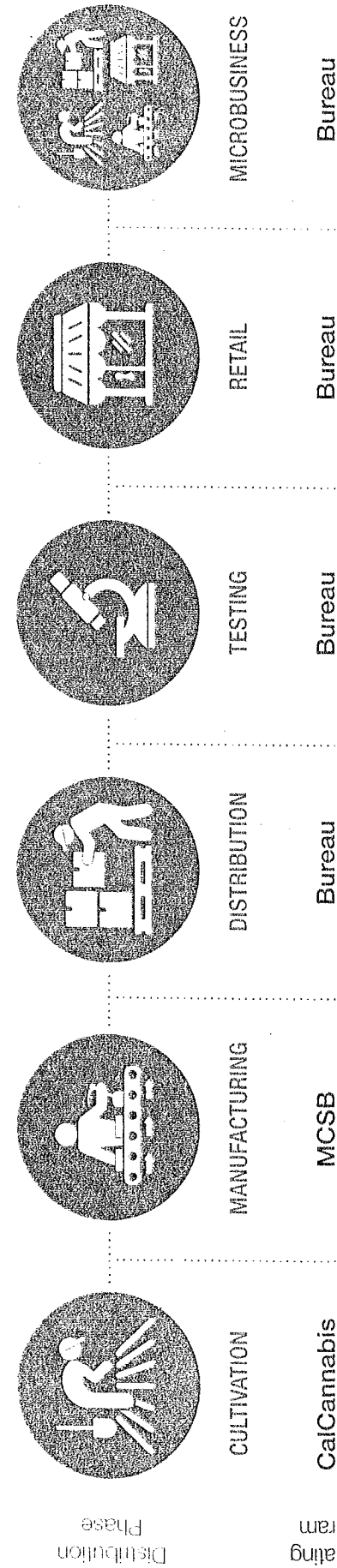
Housed within the **Department of Public Health**, MCSB licenses manufacturers of cannabis products, such as edibles and topical products.

1-855-421-7887

mcsb@cdph.ca.gov

cdph.ca.gov/mcsb

Who Does What



This graphic illustrates the movement of cannabis and cannabis products through the three state agencies responsible for regulating cannabis.

The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)

In spring 2017, the Department of Food and Agriculture's CalCannabis Cultivation Licensing division, the Department of Consumer Affairs' Bureau of Cannabis Control, and the Department of Public Health's Manufactured Cannabis Safety Branch released draft regulations for the Medical Cannabis Regulation and Safety Act of 2015. These licensing authorities held several public hearings to accept oral and written comments regarding the draft regulations.

As a result, the three cannabis licensing authorities withdrew the proposed medical cannabis regulations and adopted emergency regulations based on the new law for the commercial medicinal and adult-use (recreational) cannabis industries.

The licensing authorities had planned to move forward with a separate draft regulatory package for implementation of Proposition 64: The Adult Use of Cannabis Act of 2016. However, in June 2017, the Legislature passed and the Governor signed into law the **Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)**, which creates one regulatory system for both medicinal and adult-use (recreational) cannabis.

For more information on cannabis cultivation licensing:

calcannabis.cdfa.ca.gov

For details on other types of state cannabis licensing:

cannabis.ca.gov





Emergency Regulations Summary for Cannabis Cultivators

Licensed Cannabis Cultivation in California

In June 2017, California Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), which creates one regulatory system for both medicinal and adult-use (recreational) cannabis. Under MAUCRSA, the California Department of Food and Agriculture (CDFA) was designated as the state agency responsible for issuing licenses to commercial cannabis cultivators in California.

Temporary vs. Annual Licenses

CDFA will be issuing temporary licenses that will go into effect on January 1, 2018. These temporary licenses will be valid for only 120 days, and two 90-day extensions will be available only if the temporary licensee has applied for an annual license. Temporary licenses will not be available as of January 1, 2019. Applications for temporary and annual commercial cannabis cultivation licenses are anticipated to be available in December 2017 via CDFA's CalCannabis Cultivation Licensing website at cannabis.cdca.ca.gov.

Cannabis Cultivation License Categories

Adult Use (Recreational) OR Medicinal

- 1) **CULTIVATORS:** Numerous license types for commercial cultivators, ranging from specialty cottage to medium-sized grows
- 2) **NURSERIES:** Cultivation of cannabis solely as a nursery, including cloning and seed propagation
- 3) **PROCESSORS:** A site that conducts only trimming, drying, curing, grading, or packaging of cannabis and nonmanufactured cannabis products

Eligibility

OWNER. "Owner" means any of the following:

- 1) A person with an aggregate ownership interest of 20 percent or more in the person applying for a license or a licensee, unless the interest is solely a security, lien, encumbrance
- 2) The chief executive officer of a nonprofit or other entity
- 3) A member of the board of directors of a nonprofit or other entity
- 4) An individual who will be participating in the direction, control, or management of the person applying for a license

An owner who is an individual participating in the direction, control, or management of the commercial cannabis business includes any of the following:

- 1) A partner of a commercial cannabis business that is organized as a partnership
- 2) A member of a limited liability company of a commercial cannabis business that is organized as a limited liability company
- 3) An officer or director of a commercial cannabis business that is organized as a corporation

CRIMINAL BACKGROUND. Applicants will have to get fingerprinting via the Department of Justice's Live Scan service and undergo a criminal history check to determine if any convictions are substantially related to their commercial cannabis cultivation license. Substantially related convictions may prevent the issuance of a license.

LOCAL APPROVAL. Applicants may submit, as a part of their application, proof of approval by their local jurisdiction (city or county or other jurisdiction) for commercial cannabis activity. CDFA will be verifying the validity of the authorization with the local jurisdiction identified.

ENVIRONMENTAL PROTECTION. Applicants will be required to demonstrate California Environmental Quality Act (CEQA) compliance. This may be achieved by a local jurisdiction completing a site-specific analysis or the applicant providing a CEQA document to be certified by the lead agency. Applicants will also be required to comply with specific conditions imposed by the State Water Resources Control Board and Department of Fish and Wildlife.

Site Requirements

The location must be at least 600 feet from sensitive sites, such as a school, unless otherwise authorized by local ordinance.

Tobacco and alcohol sales are prohibited at licensed commercial cannabis premises.

Documents to Submit With an Application

The following documents will need to be submitted with a cannabis cultivation licensing application:

- Lease agreement, property title, or deed indicating a right to occupy the property
- Business-formation documents filed with the California Secretary of State's office
- California State Water Resources Control Board permits and verification of the applicant's water source
- California Department of Fish and Wildlife's 1602 Lake or Streambed permit or waiver of needed permit
- California Department of Toxic Substances Control's hazardous-materials record search via the EnviroStor data-management system
- California Department of Tax and Fee Administration seller's permit
- Labor Peace Agreement if there are more than 20 employees
- Surety bond valued at \$5,000
- California Department of Justice fingerprinting via its Live Scan service for each owner
- Proof of local jurisdiction CEQA compliance or additional CEQA site-specific analysis

Local Jurisdictions

CDFA will not issue licenses to applicants in local jurisdictions where cannabis cultivation is banned.

Local Compliance Verification

If the applicant provides a local license, permit, or other authorization, CDFA 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.

If an applicant for an annual license does not provide a local license, permit, or other authorization, CDFA 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, CDFA shall presume the applicant is in compliance and may issue a license.

Priority Application Review

Priority application review will be provided for annual licenses only. To be eligible, an applicant must be able to demonstrate whether his or her business was in operation and in good standing with the local jurisdiction by September 1, 2016.

Compliance After Licensing Approval

TRACK-AND-TRACE SYSTEM. Applicants will have five business days to register for a state-mandated track-and-trace training session after receiving notice that the application for licensure has been received and approved by CDFA. Training will be provided online and may be provided at various locations. Licensees will have 30 business days to move all inventory into the system after receipt of unique identifiers.

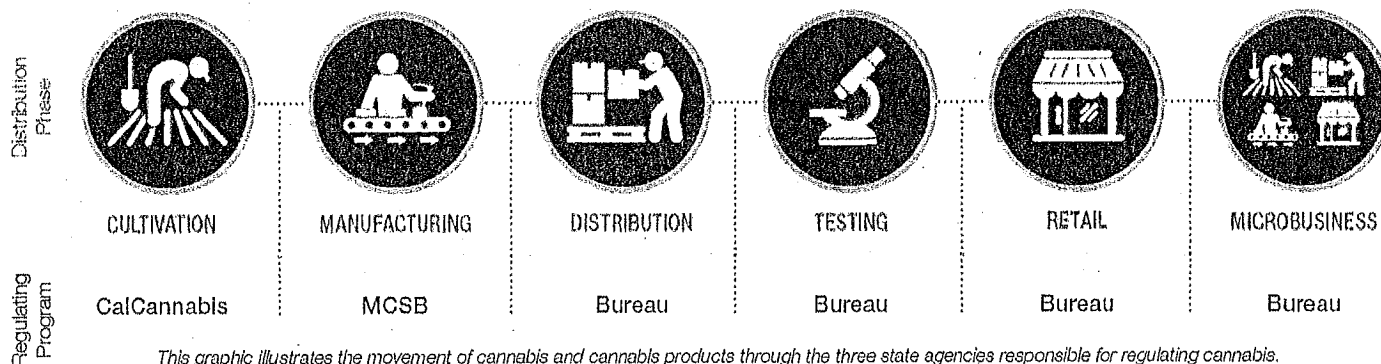
INSPECTIONS. CDFA will conduct audits and inspections of licensees to ensure compliance with license requirements.

Consequences of Noncompliance

If CDFA determines a licensee is operating out of compliance with statutory or regulatory requirements, CDFA may work with the licensee to establish a corrective action plan to correct the documented noncompliance. However, CDFA may also issue a fine or suspend or revoke the license.

License Types Other Than Cultivation

For those interested in becoming licensed for other commercial (non-cultivation) cannabis activities, please contact either the Bureau of Cannabis Control (Bureau) or the Manufactured Cannabis Safety Branch (MCSB)—and what each agency regulates is shown in this diagram:



Additional information on all three of California's licensing authorities—CalCannabis, the Bureau, and MCSB—is available on the California Cannabis Portal at cannabis.ca.gov.

Transition Period

To support a smooth transition of businesses into a newly regulated market, beginning January 1, 2018, and before July 1, 2018, licensees may do the following:

- Conduct business with other licensees regardless of the M (for medicinal) or A (for adult use/recreational) designation on their licenses.
- Transport cannabis and cannabis products 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 and cannabis products held in inventory that are not in child-resistant packaging if the retailer places them in child-resistant packaging at the time of sale.
- Sell cannabis products that do not meet the THC limits per package established by the California Department of Public Health.
- Sell and transport cannabis products that have not undergone laboratory testing if a label stating they have not been tested is affixed to each package containing the cannabis products 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 and cannabis products held in inventory by a retailer that do not meet the requirements set by the California Department of Public Health for ingredients or appearance may be sold by a retailer.

Cannabis Waste

Cannabis waste must be contained in a secured waste receptacle or secured area on the licensed premises.

Licensees may not sell cannabis waste and must comply with all applicable waste-management laws.

Water Boards Cannabis Cultivation Programs



The State Water Board adopted requirements for cannabis cultivation to reduce impacts from discharges of waste and water diversions associated with cannabis cultivation activities. Cannabis cultivators can apply for their water quality permit (**Waste Discharge Requirements/Waiver**) and water right (**Cannabis Small Irrigation Use Registration**) using the online Cannabis Regulatory Programs Portal. For more information visit:

waterboards.ca.gov/cannabis

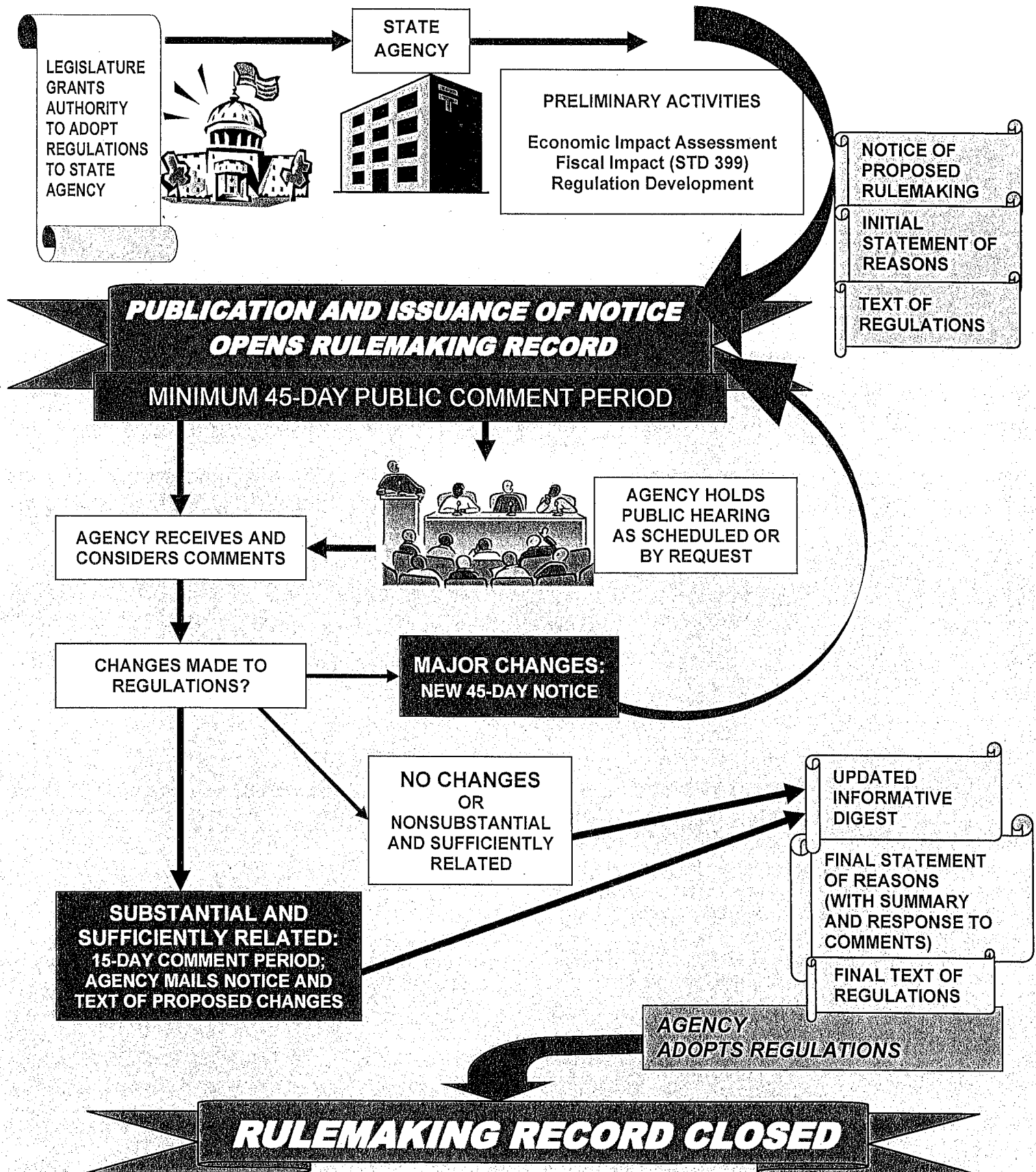
For more information visit the Water Boards Cannabis Cultivation webpage: www.waterboards.ca.gov/cannabis

Start an application using the Cannabis Regulatory Programs Portal: <https://public2.waterboards.ca.gov/cgo>

For Cannabis Small Irrigation Use Registration questions:
email CannabisReg@waterboards.ca.gov or call 916-319-9427

For Cannabis General Order (Waste Discharge Requirements/Waiver) questions:
email DWQ.Cannabis@waterboards.ca.gov or call 916-341-5580

REGULAR RULEMAKING



As a CDFA – CalCannabis Cultivation Licensing Division licenses holder you are required to have a Certified Weighmaster CCR TITLE 3, DIVISION 8 SECTION 8213

DIVISION OF MEASUREMENT STANDARDS (DMS)

6790 Florin Perkins Road, Suite 100, Sacramento, CA 95828 • 916-229-3000 • dms@cdfa.ca.gov

Enforcement of California weights and measures laws and regulations is the responsibility of the Division of Measurement Standards (DMS). The Division's activities are designed to:

- **Ensure the accuracy of commercial weighing and measuring devices.**
- **Verify the quantity of both bulk and packaged commodities.**
- **Enforce the quality, advertising and labeling standards for most petroleum products.**

The Division works closely with county sealers of weights and measures who, under the supervision and direction of the Secretary of Food and Agriculture, carry out the vast majority of weights and measures enforcement activities at the local level. Ensuring fair competition for industry and accurate value comparison for consumers are the primary functions of the county/state programs.

HEADQUARTERS (Northern California)

Division of Measurement Standards
6790 Florin Perkins Road, Suite 100
Sacramento, CA 95828
Telephone: (916) 229-3000
Fax: (916) 229-3015
Email: dms@cdfa.ca.gov

CENTRAL CALIFORNIA

Division of Measurement Standards
2550 Mariposa Street, Room 3051
Fresno, CA 93721
Telephone: (855) 212-1533
Fax: (559) 445-5268

SOUTHERN CALIFORNIA

Division of Measurement Standards
169 East Liberty Avenue
Anaheim, CA 92801
Telephone: (855) 212-1533
Fax: (714) 449-7249



WEIGHMASTER LICENSE APPLICATION

☐

New Application

☐

Updated Application for License Number: _____

Refer to instructions and information on page 6 for assistance with completing this application

Pursuant to California Business and Professions Code, Chapter 7, Division 5, Applicant makes the following statements for the purpose of obtaining a Weighmaster License. Each business has the right to review their files maintained by the Department.

1. Owner's Name(s) - If the entity is a Corporation (Inc.), Limited Liability Company (LLC), or Limited Partnership (LP), enter name as it is registered with the Secretary of State at http://kepler.sos.ca.gov/			
2. Weighmaster License Business Name - If DBA, you must submit a copy of your Fictitious Business Name Statement			
3a. Mailing Address		3b. City	3c. State
3d. Zip Code			
3e. Telephone () ()	3f. Fax () ()	3g. Email Address	
4a. Business Structure (Corporation/LLC/LP/Sole Owner/Partnership/Other- If other, then specify)			
4b. Corporation/LLC/LP Registration Number		4c. State of Jurisdiction	4d. Date Filed
4e. Agent for Service of Process (Name and address of person in California authorized to accept service of process for Corp/LLC/LP)			
5. Responsible Parties — Owner, individual partner, designated corporate officers, designated members of a LLC or LP must complete the following: (attach additional sheets if necessary)			
5a. Name	5b. Official Title	5c. Address (Do not use post office box)	
Payment Instructions: Make Checks, Money Orders, and Cashier's Checks Payable To: CDFA 90361 (Do Not Send Cash) California Department of Food and Agriculture, PO Box 942872, Sacramento, CA 94271-2872			
CALCULATE YOUR FEES HERE			Department Use Only
	<u>Each</u>	<u>\$Fee</u>	<u>Total \$</u>
Principal Fixed Location	_____	\$75.00	_____
Additional Fixed Locations	_____	\$30.00	_____
Operating at Non-Fixed Location	_____	\$200.00	_____
Deputy Weighmasters	_____	\$20.00	_____
Junk Dealer/Recycler Locations	_____	\$500.00	_____
TOTAL FEES DUE			
\$			
			RC Number:
			RC Date:
			Amount Received:
			Postmarked Date:
			Processed By:



6. Date Weighmaster operations began or will begin under this name or ownership	
7. Former Weighmaster name or Weighmaster License number operating at this location	
☐	8. Check the box if the entity operates at other than a fixed location
IMPORTANT! If an entity intends to use a common tare, mail a copy of the completed Common Tare Notice to the Division of Measurement Standards.	

9. Information about principal fixed weighing or measuring location:

a. Physical Address	b. City	c. State	d. Zip Code
e. County	f. Telephone ()	g. Fax ()	
h. Number of weighing or measuring devices		i. Number of devices registered with the County	
j. Business Description - Use descriptions found in the attached "Business Classification by Commodity" listing. For example: Salvage, E-Waste, Non-Ferrous Metal, and Paper			
☐ k. Check the box if the entity is a junk dealer/recycler as defined in BPC Section 21601 or 21605(b). Complete the supplemental application and include with this application.			
☐ l. Check the box if the entity is eligible for, and intends to use, an unattended weighing system as defined in BPC Section 12737. IMPORTANT! Only systems evaluated and approved by the California Type Evaluation Program may be used.			
☐ m. Check the box if the entity would like to be listed as a public scale. (Contact DMS for explanation)			

10. Information about additional fixed weighing or measuring location:

a. Physical Address	b. City	c. State	d. Zip Code
e. County	f. Telephone ()	g. Fax ()	
h. Number of Weighing or Measuring Devices		i. Number of Devices Registered with the County	
j. Business Description (Use descriptions found in the attached "Business Classification by Commodity" listing)			
☐ k. Check the box if the entity is a junk dealer/recycler as defined in BPC Section 21601 or 21605(b). Complete the supplemental application and include with this application.			
☐ l. Check the box if the entity is eligible for, and intends to use, an unattended weighing system as defined in BPC Section 12737. IMPORTANT! Only systems evaluated and approved by the California Type Evaluation Program may be used.			
☐ m. Check the box if the entity would like to be listed as a public scale. (Contact DMS for explanation)			



11. Information on additional fixed weighing or measuring location:

a. Physical Address	b. City	c. State	d. Zip Code
e. County	f. Telephone ()	g. Fax ()	
h. Number of Weighing or Measuring Devices		i. Number of Devices Registered with the County	
j. Business Description (Use descriptions found in the attached "Business Classification by Commodity" listing)			
k. Check the box if the entity is a junk dealer/recycler as defined in BPC Section 21601 or 21605(b). Complete the supplemental application and include with this application.			
l. Check the box if the entity is eligible for, and intends to use, an unattended weighing system as defined in BPC Section 12737. IMPORTANT! Only systems evaluated and approved by the California Type Evaluation Program may be used.			
m. Check the box if the entity would like to be listed as a public scale. (Contact DMS for explanation)			

12. Information on additional fixed weighing or measuring location:

a. Physical Address	b. City	c. State	d. Zip Code
e. County	f. Telephone ()	g. Fax ()	
h. Number of Weighing or Measuring Devices		i. Number of Devices Registered with the County	
j. Business Description (Use descriptions found in the attached "Business Classification by Commodity" listing)			
k. Check the box if the entity is a junk dealer/recycler as defined in BPC Section 21601 or 21605(b). Complete the supplemental application and include with this application.			
l. Check the box if the entity is eligible for, and intends to use, an unattended weighing system as defined in BPC Section 12737. IMPORTANT! Only systems evaluated and approved by the California Type Evaluation Program may be used			
m. Check the box if the entity would like to be listed as a public scale. (Contact DMS for explanation)			

USE ADDITIONAL PAGES IF NECESSARY



- 13. Deputy Weighmasters:** All persons who determine weight, measure, or count and/or will be signing weighmaster certificates must be licensed as Deputy Weighmasters. Enter the Deputy Weighmaster's full name below. **The only exception is an individual who is a member of a partnership or a sole owner.** If the entity is a corporation, limited liability corporation, or limited partnership, there are **no exceptions.** (Attach additional sheets if necessary.)

1.	10.	19.
2.	11.	20.
3.	12.	21.
4.	13.	22.
5.	14.	23.
6.	15.	24.
7.	16.	25.
8.	17.	26.
9.	18.	27.

Each entity is responsible for ensuring that Weighmaster Certificates contain all statutorily required information. If an entity would like its weighmaster certificates reviewed for compliance, include a copy with this application.

14. License Affidavit: By signing this application, applicant attests that they will abide by the provisions of the California Business and Professions Code, Division 5, Chapter 7 and the California Code of Regulations, Title 4, Division 9, Chapter 9.

I CERTIFY THAT THE INFORMATION CONTAINED IN THIS APPLICATION IS TRUE AND CORRECT.

This application must be signed by an authorized representative listed in Item 5 of the Weighmaster License Application (e.g., owner, individual partner, designated corporate officer, designated member of LLC or LP).

a. Signature of Applicant	b. Print or Type Name	c. Title	d. Date
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Applicant is responsible for completing this application and submitting all required information in a timely manner. Applications remaining incomplete 30 days after notification of deficiencies will be returned unprocessed. It is unlawful to perform the duties of a Weighmaster without first obtaining a Weighmaster License. It is the licensee's responsibility to keep all information and fees current in addition to maintaining a copy of the current Weighmaster License at all weighing locations.

If you have questions, call or write the Division of Measurement Standards, Weighmaster License Clerk, at 6790 Florin Perkins Road, Suite 100, Sacramento, CA 95828, Telephone (916) 229-3000, Fax (916) 229-3055, or by email at: DMS@cdfa.ca.gov. Additional information regarding the Weighmaster Program can be found at: www.cdfa.ca.gov/dms/programs/wm/wm.html.

The California Department of Food and Agriculture has established time periods for the processing of license applications. Failure to comply with these time periods may be appealed to the Secretary of Food and Agriculture, 1220 N Street, P.O. Box 942871, Sacramento, CA 94271-0001, pursuant to regulations set forth in the California Code of Regulations Title 4, Section 4700. Under certain circumstances, the Secretary may order that the applicant receive reimbursement of filing fees.



Junk Dealer/Recycler Supplemental Weighmaster Application
Refer to the instructions on page 10 for assistance with completing this application

1. License Name: _____

2. ☐ I am a Pawnbroker/Secondhand Dealer who purchases scrap metal/salvage material in a manner other than those prescribed for Pawnbrokers/Secondhand dealer transactions. **If you checked this box skip to item 10.**

As a Weighmaster applicant who is a junk dealer or recycler as defined in California Business and Professions Code (BPC) Section 21601 or 21605(b), I declare that:

3. ☐ As required, a copy of a current business license for each location is included with this application.
4. ☐ As required, the most recent list of Deputy Weighmaster names are included. Attach a copy of your Weighmaster License with any deletions, additions, or changes.
5. ☐ As required, a request to receive theft alert notifications pursuant to BPC Section 21608.7(a) has been made.

Please enter the email address used to request thefts alerts: _____

IMPORTANT! If your entity has more than one junk dealer/recycler location, make a copy of this form and complete the remainder of the form for *each additional* location.

6. Provide the address and complete the declarations for each weighing or measuring location:

Street: _____

City: _____

State: _____ Zip Code: _____

Check the following statements that are true:

7. Storm Water Permit Declaration (check ONE box only)

Entity is a junk dealer or recycler as defined in BPC Section 21601 or 21605(b) and:

- a. ☐ Has a Storm Water Permit. Upon request, proof can be provided.
b. ☐ Has filed for a Storm Water Permit. Upon request, proof can be provided.
c. ☐ A Storm Water Permit is not required. Upon request, proof can be provided.

8. Photography and Thumbprint Equipment Declaration (check ONE box only)

Entity is a junk dealer or recycler as defined in BPC Section 21601 or 21605(b) and:

- a. ☐ Has the necessary equipment to comply with the photographic and thumbprint requirements for the purchase of nonferrous materials pursuant to BPC Section 21608.5.
b. ☐ Will not purchase or sell nonferrous materials and is not required to comply with BPC Section 21608.5.

9. ☐ It is understood that the Department or one of its representatives will make a thorough investigation of all the information contained in this application. If any information is materially inaccurate, the entity will have 14 days to come into compliance or the Department will revoke the Weighmaster License.

10. By signing this document, I verify compliance with all Weighmaster requirements set forth in the California Business and Professions Code, Division 5, Chapter 7 and the California Code of Regulations, Title 4, Division 9, Chapter 9.

I CERTIFY THAT THE INFORMATION CONTAINED IN THIS APPLICATION IS TRUE AND CORRECT.

This application must be signed by an authorized representative listed in the Weighmaster License Application item 5, (e.g., owner, individual partner, designated corporate officer, designated member of LLC or LP).

a. Signature Authorized Representative _____

b. Print Full Name and Title _____

c. Date _____



Weighmaster License Application Instructions and Information

Mark the appropriate box indicating if the application is for a new Weighmaster or to update the information for a previously issued Weighmaster License. If the application is being submitted to update information, enter the Weighmaster License number.

The following is a list of required information with corresponding box number on the application:

1. Owner's Name. This is the person(s) or corporation(s) that own the business. If the business is a corporation, limited liability company (LLC), or a limited partnership (LP), enter the name as listed with the California Secretary of State.

2. Weighmaster License Business Name. The Weighmaster License name is the name to appear on the license and all Weighmaster Certificates. It may be different from the owner's name(s) and corporation's name if they are "doing business as" (DBA) a fictitious name. If a fictitious name is used, a copy of the "Fictitious Business Name Statement" must accompany the application.

3a-3g. Mailing Address/Phone/Fax/Email.

- Enter the street address or P.O. Box Number, city, state and zip code where the license or any other correspondence will be mailed.
- Enter a business contact telephone number, fax, and email address.

4. Business Structure Information.

- a. Enter the type of business structure. Options include: Corporation (Inc.), Limited Liability Corporation (LLC), Limited Partnership (LP), sole owner, partnership, or other type.
- b. If the business is an Inc., LLC or LP, enter the registration number from the California Secretary of State.
- c. If the business is an Inc., LLC or LP, indicate the state in which it is incorporated.
- d. If the business is an Inc., LLC or LP, indicate the date of registration with the California Secretary of State.
- e. If the business is an Inc., LLC or LP, indicate the name of the agent authorized to accept service of legal notice.

5. Responsible Parties.

- a. Enter the name of a sole owner, individual partner, corporate officers or members of the LLC.
- b. Enter the official title held in relation to the entity.
- c. Enter the physical address for a sole owner, individual partner, corporate officers or members of the LLC.

Attach additional sheets if necessary.

6. Beginning Date. Enter the date Weighmaster operation began, or plans to begin. This establishes the license year and renewal month. The license is to be renewed on or before the first day of this month each year. ***It is the licensee's responsibility to renew the license when due.***

7. Former Weighmaster Name/Other Licensees at Location. If taking over a business with an existing Weighmaster License, enter the previous Weighmaster name and license number.



8. Other Than Fixed Location. Check the box if the entity operates at other than a fixed location.

Note: Industry Specific Tares. If the entity intends to use a regulatorily established tare (e.g., seasonal tare, common tare, average tare), contact the Division at (916) 229-3000.

9. Information for Principal Location. Enter the following information regarding the **principal fixed location** where weighing or measuring operations are conducted:

- a-g. Enter the contact information as indicated on the application for the **principal fixed location** where weighing and measuring operations are conducted.
- h. Enter the number of weighing and/or measuring devices used at this location.
- i. Number of devices used to weigh, measure, or count for hire registered with the county sealer of weights and measures.
- j. Describe the primary business operations at this location; select from the attached Business Classification by Commodity listing starting on page 11.
- k. Check the box if the entity is a junk dealer/recycler as defined in BPC 21601 or BPC 21605(b). If box is checked, also **complete and include a supplemental application**.
- l. Check the box if the entity is eligible for and intends to use an unattended weighing system as defined in BPC 12737. **Important:** Only systems that have been evaluated and approved by the California Type Evaluation Program may be used.
- m. Check the box if the entity would like to be listed as a public scale.

10., 11., 12. Information for fixed locations. For any **additional locations** where business is done, list the following information:

- a-g. Enter the contact information as indicated on the application for the **additional location** where weighing and measuring operations are conducted.
- h. Enter the number of weighing and/or measuring devices used at this location.
- i. Number of devices used to weigh, measure, or count for hire registered with the county sealer of weights and measures.
- j. Describe the primary business operations at this location; select from the attached "Business Classification by Commodity" listing starting on page 11.
- k. Check the box if the entity is a junk dealer/recycler as defined in BPC 21601 or BPC 21605(b). If box is checked, also **complete and include a supplemental application**.
- l. Check the box if the entity is eligible for and intends to use an unattended weighing system as defined in BPC 12737. **Important:** Only systems that have been evaluated and approved by the California Type Evaluation Program may be used.
- m. Check the box if the entity would like to be listed as a public scale.

13. Deputy Weighmasters. All persons who determine weight, measure or count, and/or will sign Weighmaster Certificates must be licensed as Deputy Weighmasters. Enter the Deputy Weighmaster's full name in the spaces provided on the application. (Attach additional sheets if necessary) **The only exemption is an individual who is a partner of a partnership or the sole owner.** If the entity is a corporation, LLC or LP there are no exemptions for not being listed as a Deputy Weighmaster.



14. License Affidavit. The applicant must sign the Weighmaster License Application. By signing, the applicant acknowledges they will abide by all the provisions of Division 5, Chapter 7 of the California Business and Professions Code and Title 4, Division 9, Chapter 9 of the California Code of Regulations. **I CERTIFY THAT THE INFORMATION CONTAINED IN THIS APPLICATION IS TRUE AND CORRECT.**

- a. **Signature of Applicant.** The application must be signed by an authorized representative listed in item 5 (owner, individual partner, designated corporate officers, designated members of LLCs or LPs)
- b. **Print or Type Name.** The person who signs the document will enter their name next to their signature.
- c. **Title.** The person who signs the document will enter their title (e.g., owner, President, CEO)
- d. **Date.** The person who signs the document will enter the date they completed the application.

If boxes 9k., 10k., 11k., and/or 12k. are checked, the "Junk Dealer/Recycler Supplemental Weighmaster Application" must also be completed.

This application must be signed by an authorized representative listed in the Weighmaster License Application item 5, (e.g., owner, individual partner, designated corporate officer, designated member of LLC or LP).

Calculation of License Fees:

The license will not be processed unless the appropriate fees are paid. BPC Section 12704 requires the following fees to be paid:

- Weighmaster License (Principal Location): \$75.00
- Each additional fixed location is \$30.00
- Operation at other than fixed location is \$200.00
- Each Deputy Weighmaster is \$20.00
- Location fee for each location listed for a junk dealer/recycler is \$500.00
- Additional license copies are \$10.00 each

If the principal location moves, a fixed branch is added, or deputies are added, the Weighmaster must contact the Division and submit in writing the changes along with any additional appropriate fees required prior to operation.

If the entity is eligible for and intends to use an unattended weighing system as defined in BPC Section 12737 and the license is being renewed, contact the Division to determine your fees.



Calculation of Late Fees:

BPC Section 12707 requires that Weighmaster Licenses be renewed annually. License fees are due on or before the first day of the license month. If the application and payment are sent by mail, there is no late fee charged if postmarked by the fifth day of the license month. If the fees are not paid by the fifth day of the license month, additional penalty fees are due. The penalty fee for a payment postmarked after the fifth day and before 30 days shall be 30 percent of the license fees. The penalty fee for more than 30 days after the beginning of the licensing month shall be 100 percent of the license fees. No additional late fees are charged for Deputy Weighmasters (see table below).

Weighmaster License	On-Time	Late fee penalties if postmarked after the 5 th day of licensing month	Late fee penalties if postmarked 30 days after beginning of licensing month
	Fee	Fee +30% penalty	Fee + 100% penalty
Principal Fixed Location	\$75.00	\$97.50	\$150.00
Additional Fixed Location	\$30.00	\$39.00	\$60.00
Operation at Other Than Fixed Location	\$200.00	\$260.00	\$400.00
Each Deputy Weighmaster	\$20.00	no penalty fee	no penalty fee
JDR Fee Per Location	\$500.00	\$650.00	\$1000.00



Junk Dealer/Recycler Supplemental Weighmaster Application Instructions

California Business and Professions Code (BPC) Section 12703.1 **requires** additional information and declarations for Weighmasters who are junk dealers or recyclers. The instructions below outline the entries on the Junk Dealer/Recycler Supplemental Weighmaster Application.

1. **License Name (Required):** Enter the business name as it appears on the first page of the Weighmaster License Application.
2. **Pawnbroker or Secondhand Dealer Declaration:** If the business is a Junk Dealer/Recycler and also a Pawnbroker or Secondhand Dealer, mark the box and skip to step 10.
3. **Business License (Required):** Mark the box to indicate a copy of a current business license is being submitted for all junk dealer/recycler locations. If the facility is located in an unincorporated area that does not issue business licenses, write a statement to that effect.
4. **Deputy Weighmaster List (Required):** Mark the box to indicate that all current Deputy Weighmaster names are submitted. Attach a copy of the current weighmaster license. Indicate Deputy Weighmaster changes as instructed on line 6 of the Weighmaster Renewal Application.
5. **Theft Alert Notifications (Required):** Mark the box and enter the email address used to register for theft alert notifications. Registration with the Institute of Scrap Recycling Industries, Inc. at www.scraptheftalert.com is required.
6. **Additional Location:** Make a copy of the Junk Dealer/Recycler Supplemental Weighmaster Application form and complete for each additional location.
7. **Storm Water Permit Declaration (Required):**
 - a. Mark this box if a Storm Water Permit has been issued by the State Water Resources Control Board.
 - b. Mark this box if a Notice of Intent (NOI) for a Storm Water Permit has been filed with the State Water Resources Control Board which is pending and not yet issued.
 - c. Mark this box if a Storm Water Permit is not required. Proof of this fact will be required during inspection.
8. **Photographic and Thumbprinting Equipment Declaration (Required):**
 - a. Mark this box if the entity purchases nonferrous materials (i.e., copper, copper alloys, stainless steel, or aluminum, excluding beverage containers) and has the necessary equipment to comply with BPC Section 21608.5.
 - b. Mark this box if the entity will not be purchasing or selling nonferrous materials as described in BPC Section 21608.5 and is not required to comply with this requirement.
9. **Verification Inspection:** Mark the box to acknowledge the understanding that an inspection will be conducted to confirm the information submitted in this application is materially accurate. Furthermore, if the information you submitted is not materially accurate, the entity will be given 14 days to come into compliance. If it does not, the Department will proceed with revocation of the weighmaster license.
10. Sign the Junk Dealer/Recycler Supplemental Weighmaster Application. By signing, you acknowledge that the entity will abide by all the provisions in Chapter 7 of Division 5 of the BPC.
 - a. The Junk Dealer/Recycler Supplemental Weighmaster Application must be signed by an authorized representative. (owner, individual partner, designated corporate officers, designated members of LLCs or LPs)
 - b. The person who signs the application must print or type their name next to their signature and official title. (e.g., owner, President, CEO)
 - c. Enter the date the application was completed.

This application must be signed by an authorized representative listed in the Weighmaster License Application item 5, (e.g., owner, individual partner, designated corporate officer, designated member of LLC or LP).



Business Classification by Commodity

Cannabis Related Activities		
Adult Use - Cultivator (nurseries, growers, and processors)	Medicinal Use - Cultivator (nurseries, growers, and processors)	Cannabis (other businesses Not Elsewhere Classified)
Adult Use - Distributors/Transporter (Agents who supply products to other businesses, businesses that transport cannabis products from one point to another and/or provide quality assurance)	Medicinal Use - Distributors/Transporter (Agents who supply products to other businesses, businesses that transport cannabis products from one point to another and/or provide quality assurance)	Hemp - (Cannabis Plant Fiber)
Adult Use - Manufacturers (extractions, infusions, packaging, and labeling)	Medicinal Use - Manufacturers (extractions, infusions, packaging, and labeling)	
Adult Use - Microbusiness (business that engages in cultivation, manufacturing, distribution, and retail sale under one license)	Medicinal Use - Microbusiness (business that engages in cultivation, manufacturing, distribution, and retail sale under one license)	

AGRICULTURAL PROCESSORS: (canning, cooking, freezing, drying, crushing, fermenting, etc.)		
Apricots	Milk Processors	Sugar Beets
Berries	Nuts	Tomatoes
Citrus	Peaches	Vegetables (other)
Cotton	Pears	Wheat, Flour Mill
Freezers	Prunes	Wineries, Juice Grapes
Fruit (other)	Raisins	Not Elsewhere Classified
Hay, Cubing Pellets	Rice	

Dealers, Packers, Growers, Weighers		
Avocados	Hay	Vegetables (other)
Citrus	Potatoes	Vineyard (Table, raisin, or wine grapes)
Fruit (other)	Rice	Not Elsewhere Classified (feed sales, seeds for oil, etc.)
General Farming, Agriculture	Seeds	



Livestock		
Auctions	Feed Mills	Slaughter Houses
Dairies	Liquid Stock Feed	Not Elsewhere Classified (cattle ranches, poultry feed, feed supplements, etc.)
Fairs	Poultry Processors	
Feed Lots	Rendering	

Agricultural Warehouses		
Barley	Milo	Seeds
Beans	Nuts	Wheat, Grain
Cold Storage	Rice	Not Elsewhere Classified
Cotton	Safflower	

Construction		
Asphalt, Paving	Dry Cement and Pozzolan	Rock, Sand, and Gravel
Concrete, Gunite, and Ready-Mix	Lightweight Aggregates	Unprocessed Yardage Sales
Construction Debris (wallboard, dirt, etc.)	Retail Small Lots	Not Elsewhere Classified (Construction supplies, lumber yard, asphalt, concrete recycling, etc.)
Construction Sites	Road Oils	

Fish		
Aquaculture	Herring	Squid
Bottom Fish	Salmon	Tuna
Crab	Sea Urchins	Not Elsewhere Classified

Salvage, Junk Dealers and Recyclers		
Cans (Not CRV)	Non-Ferrous Scrap Precious Metals (gold, silver, etc.)	All the above except E-Waste*
E-Waste	Paper	Pawnbroker, Secondhand Dealer- JDR Weighmaster
Ferrous Metal (iron)	Plastic (Not CRV)	Pawnbroker, Secondhand Dealer- Weighmaster
Glass (Not CRV)	Scrap Yard, Auto Wrecker	BPC 21604(a) Exempt Junk Dealer/Recycler
Non-Ferrous Metals (copper, brass, copper alloys, aluminum, stainless steel)	Junk Dealer, Recycler	CRV Redemption Center



Transportation		
Fleet Services	Military	Not Elsewhere Classified
General Transportation	Van, Moving and Storage	

Waste		
Biomass	Hazardous Waste	Paper Shredding Only
Composting, Landfill	Medical Waste	Tire Shredding Only
Green Waste, Refuse, Transfer Waste Station, Landfill	Non Hazardous Waste Water	

Various Industry		
Compressed Gases	Nursery and Nursery Supply	Scale Company
Farm Supply Store	Power Plant	Steel or Manufacturing, Fabricating (plastics, aluminum)
Fertilizer, Chemicals	Public Scales	Textile
Landscaping	Refineries	Trade Shows
Log Scalars	Rental Equipment	Not Elsewhere Classified
Mining and Milling	Samplers, Weighers	
New Metal Distributer/Vendor	Sawmills, Timber, Wood	

CANNABIS SPECIAL NOTICE

Guidance on How Taxes Apply to Cannabis Inventory Beginning January 1, 2018

Beginning January 1, 2018, cannabis retailers must collect the cannabis excise tax from their customers on each retail sale of cannabis or cannabis products. The cannabis excise tax applies to all retail sales, *including* sales of cannabis or cannabis products the retailer purchased *prior* to January 1, 2018. Cannabis retailers are required to pay the cannabis excise tax to a cannabis distributor. Cannabis cultivators owe the cultivation tax on all harvested cannabis that enters the commercial market on or after January 1, 2018. The cultivation tax does not apply to harvested cannabis a cultivator transferred or sold prior to January 1, 2018. Cultivators are required to pay the cultivation tax to a distributor or manufacturer.

Cannabis excise tax must be paid to cannabis distributors

On and after January 1, 2018, distributors who sell or transfer cannabis or cannabis products to a cannabis retailer are required to collect the cannabis excise tax from the retailer. In addition, cannabis retailers, who acquired cannabis or cannabis products *prior* to January 1, 2018, upon which they did not pay the cannabis excise tax to a distributor, must collect the 15 percent cannabis excise tax from their customers. Retailers must pay the excise tax on those sales by the 15th of the following month in which they collected the tax to a licensed cannabis distributor with whom they have a business relationship (that is, a distributor that they purchase or acquire cannabis or cannabis products from on or after January 1, 2018).

Cannabis retailer – collecting and invoicing requirements

As a cannabis retailer, you are not required to separately state the cannabis excise tax on your receipt or invoice to your customer, but you must include the following statement, “The cannabis excise taxes are included in the total amount of the invoice.” The cannabis excise tax is imposed on the purchaser as 15 percent of the average market price.

To calculate the cannabis excise tax due on your retail sales of cannabis or cannabis products that you acquired prior to January 1, 2018, you must multiply the average market price by the 15 percent excise tax rate. For information on how to determine the average market price, please see our *Tax Guide for Cannabis Businesses* at www.cdtfa.ca.gov/industry/cannabis.htm.

Your sales of cannabis and cannabis products are generally subject to sales tax. The sales tax is due on the retail selling price of cannabis or cannabis products, *including* the cannabis excise tax.

Cultivation tax not due on cannabis transferred or sold prior to January 1, 2018

As a reminder, cannabis cultivators are required to pay the cultivation tax to a distributor or manufacturer on all harvested cannabis that enters the commercial market beginning January 1, 2018. However, the cultivation tax is not due on harvested cannabis transferred or sold to distributors or manufacturers prior to January 1, 2018, even if entry into the commercial market (completes testing and complies with quality assurance review) occurs after that date. Manufacturers and distributors must maintain documentation to support that the cannabis was transferred or sold from a cultivator prior to January 1, 2018.

Cannabis distributors – invoicing and recordkeeping requirements

Cannabis distributors must properly document the amount of cannabis excise tax collected. If you are a cannabis distributor and you collect the cannabis excise tax from retailers for cannabis or cannabis products the retailer acquired prior to January 1, 2018, you must provide the retailer an invoice, receipt, or other similar document that contains all of the following:

- The invoice date.
- Your name and seller's permit number, or if you are not required to hold a seller's permit because you do not make sales, you must include a statement to that effect on the receipt.
- Name of the cannabis retailer and the retailer's seller's permit number.
- The amount of cannabis excise tax collected.

As a distributor, you should keep accurate records of your commercial cannabis activity. This includes retaining records to support when the cannabis was transferred or sold to you from a cultivator or manufacturer, or when you sell or transfer to a retailer, and the amount of cultivation tax and excise taxes collected.

The CDTFA's online guide, *Tax Guide for Cannabis Businesses*, is your best resource

Not all requirements for the cannabis industry can be addressed within one single Special Notice. We encourage you to read our *Tax Guide for Cannabis Businesses* at www.cdtfa.ca.gov/industry/cannabis.htm which contains separate tabs with important information for distributors, retailers, cultivators, and manufacturers. If you have additional questions, you may call our Customer Service Center at 1-800-400-7115 (TTY:711) Monday through Friday, 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.

CANNABIS

PESTICIDES THAT ARE LEGAL TO USE



Protecting workers, the public, and the environment from adverse effects of pesticide use in cannabis cultivation is critical to the mission of the California Department of Pesticide Regulation (DPR). DPR and the County Agricultural Commissioners (CAC) enforce the use and sale of pesticides under Divisions 6 and 7 of the California Food and Agricultural Code (FAC), and Title 3 of the California Code of Regulations (CCR). These laws and regulations apply to all pesticide use; cannabis is no exception.

All pesticide product labels include a warning statement, precautionary statements for protecting human and environmental health, storage and disposal statements, and directions for use. By law, all pesticide users must follow these statements.

When using pesticide products in cannabis cultivation, applicators must not use a rate that is higher than the rates listed on the label and follow the agricultural use requirements including method of application, restricted entry interval, personal protective equipment, and pre-harvest interval.

Some pesticide products are never allowed in cannabis cultivation under any circumstances (see DPR's document: **Pesticides that Cannot be Used on Cannabis**).

Always read the label prior to using any pesticide.

PRODUCTS THAT CAN BE LEGALLY APPLIED TO CANNABIS IN CALIFORNIA

A pesticide product can legally be applied to cannabis under state law if the active ingredients found in the product are exempt from residue tolerance requirements and the product is either exempt from registration requirements or registered for a use that is broad enough to include use on cannabis.

Residue tolerance requirements are set by U.S. EPA for each pesticide on each food crop and are the amount of pesticide residue allowed to remain in or on each treated crop with "reasonable certainty of no harm." Some pesticides are exempt from the tolerance requirement when they are found to be minimal risk.

Active ingredients exempt from registration requirements are mostly food-grade essential oils such as peppermint oil or rosemary oil.

Cannabis cultivators who are licensed by the California Department of Food and Agriculture are required to comply with pesticide laws and regulations as enforced by DPR and the CAC's.

For more information:

www.cdpr.ca.gov/cannabis

PESTICIDES THAT ARE LEGAL TO USE ON CANNABIS

The following are examples of pesticide active ingredients that are exempt from tolerance requirements and either exempt from registration requirements or have labels broad enough to include use on cannabis. This is not an exhaustive list of active ingredients that may fit the legal use criteria. The active ingredients are organized by the intended target.

Insecticides and Miticides

- Azadirachtin
- *Bacillus thuringiensis* sub. *kurstaki*
- *Bacillus thuringiensis* sub. *israelensis*
- *Beauveria bassiana*
- *Burkholderia* spp. strain A396
- Capsaicin
- Cinnamon and cinnamon oil
- Citric acid
- Garlic and garlic oil
- Geraniol
- Horticultural oils (petroleum oil)
- Insecticidal soaps (potassium salts of fatty acids)
- Iron phosphate
- *Isaria fumosorosea*
- Neem oil
- Potassium bicarbonate
- Potassium sorbate
- Rosemary oil
- Sesame and sesame oil
- Sodium bicarbonate
- Soybean oil
- Sulfur
- Thyme oil

Fungicides and Antimicrobials

- *Bacillus amyloliquefaciens* strain D747
- Cloves and clove oil
- Corn oil
- Cottonseed oil
- *Gliocladium virens*
- Neem oil
- Peppermint and peppermint oil
- Potassium bicarbonate
- Potassium silicate
- Rosemary and rosemary oil
- Sodium bicarbonate
- *Reynoutria sachalinensis* extract
- *Trichoderma harzianum*

Vertebrate Repellants

- Castor oil
- Geraniol

CANNABIS

PESTICIDES THAT CANNOT BE USED



Protecting workers, the public, and the environment from adverse effects of pesticide use in cannabis cultivation is critical to the mission of the California Department of Pesticide Regulation (DPR). DPR and the County Agricultural Commissioners (CAC) enforce the use and sale of pesticides under Divisions 6 and 7 of the California Food and Agricultural Code (FAC), and Title 3 of the California Code of Regulations (CCR). These laws and regulations apply to all pesticide use; cannabis is no exception.

All pesticide product labels include a warning statement, precautionary statements for protecting human and environmental health, storage and disposal statements, and directions for use. By law, all pesticide users must follow these statements.

When using pesticide products in cannabis cultivation, applicators must not use a rate that is higher than the rates listed on the label and follow the agricultural use requirements including method of application, restricted entry interval, personal protective equipment, and pre-harvest interval.

Always read the label prior to using any pesticide.

Some pesticides cannot be used in cannabis cultivation.

While there are some pesticide products that are legal to use on cannabis under state law, (see DPR's document: Pesticides that are Legal to Use on Cannabis) other products are never allowed in cannabis cultivation. The following criteria identify pesticide products that cannot be used in California cannabis cultivation under any circumstances. The use of any pesticides meeting any one of these criteria on cannabis will be strictly enforced as a violation of the FAC and could result in civil or criminal penalties (FAC sections 12996 and 12999.5):

- Not registered for a food use in California
- California Restricted Material including Federal Restricted Use Pesticides (3CCR section 6400)
- Signal word "DANGER"
- On the groundwater protection list (3CCR section 6800)

Cannabis cultivators who are licensed by the California Department of Food and Agriculture are required to comply with pesticide laws and regulations as enforced by DPR and the CAC's.

For more information:
www.cdpr.ca.gov/cannabis

PESTICIDES THAT CANNOT BE USED ON CANNABIS

The following are criteria for identifying pesticides that cannot be used in cannabis cultivation and examples of active ingredients meeting these criteria. This is a representative list of active ingredients and not intended to be exhaustive. The fact that an active ingredient is not listed does not authorize its use on cannabis in California.

Pesticides Not Registered for Food Use in California

If a pesticide product does not have directions for use on a food crop, it cannot be used in cannabis cultivation. Examples of active ingredients that do not have food uses include:

- Aldicarb
- Carbofuran
- Chlordane
- Chlorfenapyr
- Coumaphos
- Daminozide
- DDVP (Dichlorvos)
- Etofenprox
- Fenoxycarb
- Imazalil
- Methyl parathion
- Mevinphos
- Paclobutrazol
- Propoxur
- Spiroxamine
- Thiacloprid

California Restricted Materials

DPR designates certain pesticides as California restricted materials (3 CCR section 6400). A pesticide can be considered a restricted material for many reasons including designation as a federal Restricted Use Pesticide. Many of these products have product labels that clearly state "Restricted Use Pesticide." Consult your local CAC to determine whether a product is a restricted material. Examples of California restricted materials include:

- Abamectin
- Bifenthrin
- Brodifacoum
- Bromodiolone
- Cyfluthrin
- Difenacoum
- Difethialone
- Fipronil
- Naled

Pesticides on the Groundwater Protection List

Active ingredients that are on the Groundwater Protection List (3CCR section 6800) have chemical characteristics that make them likely to move into groundwater. Examples of active ingredients on the groundwater protection list include:

- Acephate
- Azoxystrobin
- Boscalid
- Carbaryl
- Chlorantraniliprole
- Diazinon
- Dimethoate
- Dimethomorph
- Ethoprop(hos)
- Fludioxonil
- Imidacloprid
- Malathion
- Metalaxyl
- Methiocarb
- Methomyl
- Myclobutanil
- Propiconazole
- Tebuconazole
- Thiamethoxam

Pesticide Products with the signal word "DANGER"



Commercial Cannabis Cultivation Licensing Guidance for Compliance with Fish and Game Code Section 1602

Prospective Cannabis Cultivation Licensee,

- **Fish and Game Code section 1602** requires an entity to notify California Department of Fish and Wildlife (CDFW) before commencing an activity that will:
 - Substantially divert or obstruct the natural flow, or substantially change or use any material from the bed, channel or bank of any river, stream, or lake.
 - Deposit or dispose of debris, waste or other material where it may pass into any river, stream, or lake.

Please note that “any river, stream or lake” includes those that are dry for periods of time as well as those that flow year round.

- **Annual licenses for cannabis cultivation** issued by California Department of Food and Agriculture (CDFA) beginning January 2018 will require the applicant to demonstrate compliance with Fish and Game Code section 1602. Compliance must be demonstrated with a CDFW Lake or Streambed Alteration (LSA) Agreement or written verification that an LSA Agreement is not required.
- **Temporary licenses for cannabis cultivation** issued by CDFA do not require an applicant to demonstrate compliance with Fish and Game Code section 1602. However, some counties currently require an LSA Agreement or statement from CDFW that no LSA Agreement is needed. Check with the county where your activity will occur. Fish and Game Code section 1602 requires an entity to notify CDFW if their activity will alter a river, stream, or lake as specified above.
- **To comply with Fish and Game Code section 1602**, submit an LSA Notification and appropriate fee to CDFW and enter into an LSA Agreement if required. The LSA Notification application, fee schedule, instructions, and locations of CDFW regional offices are available at <http://www.wildlife.ca.gov/Conservation/LSA>.

Ensure that your LSA Notification is complete and identify all existing and proposed activities and infrastructure associated with cannabis cultivation and site access. Activities include but are not limited to water diversion and storage, stream crossings (i.e., bridges, culverts, rock fords), road construction near streams and lakes, and riparian vegetation removal. Upon receipt of a complete LSA Notification, CDFW will begin review and may conduct a site visit.

An LSA Notification with associated unresolved violations or fines will not be processed until these issues are addressed.

- **Issuance of an LSA Agreement, or written verification that one is not required**, will be based on CDFW findings. An LSA Agreement is required when CDFW determines that the activity, as described in a complete LSA Notification, will (1) substantially alter a river, stream,

or lake and (2) may substantially adversely affect existing fish or wildlife resources, as specified in section 1602 of the Fish and Game Code. An LSA Agreement identifies approved activities and measures necessary to protect fish and wildlife resources, which may limit the work period. Consider designing your project to avoid activities that require an LSA Agreement.

- **An LSA Agreement** may be issued in the form of a standard LSA Agreement or an LSA General Agreement for Cannabis Cultivation.
- **Written verification that an LSA Agreement is not required** may be issued in the form of a letter when (a) CDFW determines an LSA Notification and/or an LSA Agreement is not required pursuant to Fish and Game Code section 1602, or (b) CDFW has not issued a draft standard agreement within 60 days from the date LSA Notification is deemed complete.
- **An LSA General Agreement for Cannabis Cultivation and online LSA Notification** are anticipated in January 2018. Issuance of the LSA General Agreement for Cannabis Cultivation will be an *expedited process* for activities that meet specific eligibility criteria. Eligibility criteria include all of the following:
 - Activity is in conjunction with cannabis cultivation;
 - Activity is limited to construction or reconstruction of a bridge, culvert, rock ford, or a water diversion that meets specified design criteria;
 - Activity is not on a stream or lake that contains finfish or finfish habitat;
 - Activity shall not result in take of a state listed or fully protected species;
 - Entity has not been subject to (a) fines, penalties, or other sanctions for cultivation or production of controlled substance or (b) notice of violation pursuant to section 12025 or 12025.1 of the Fish and Game Code.

To take advantage of the streamlined LSA General Agreement for Cannabis Cultivation, consider designing your activities to meet the design criteria specified in the LSA General Agreement. Entities with activities that do not meet eligibility criteria for the LSA General Agreement for Cannabis Cultivation will need a standard LSA Agreement.

- **If you have an existing LSA Agreement**, be sure that it covers all of the activities subject to Fish and Game Code section 1602 and that it has not expired. If all activities are not included in the LSA Agreement, you will need to submit a new LSA Notification to receive an LSA Agreement for the additional activities. If the LSA Agreement has expired before the work has been completed, you will need to submit a new notification to obtain a new LSA Agreement.
- **For more information and updates**, please visit CDFW's websites or contact the regional office that serves the location of your cannabis cultivation (see attached map):

LSA at <http://www.wildlife.ca.gov/Conservation/LSA>
Cannabis at: <https://www.wildlife.ca.gov/Conservation/Cannabis>

SCALES USED FOR COMMERCIAL PURPOSES

All scales used for commercial purposes must meet strict standards for accuracy and customer visibility in the California Code of Regulations. Appropriate and suitable scales must be of a type approved by the Division of Measurement Standards and issued either a California Type Evaluation Program (CTEP) Certificate of Approval or a National Type Evaluation Program Certificate of Conformance before commercial use. This process is known as "Type Evaluation." See the CTEP Information Guide at: <https://www.cdfa.ca.gov/dms/programs/ctep/CTEPInfoGuide.pdf>

Step 1: Selecting a suitable scale.

Step 2: Setting up your scale.

Step 3: Using and maintaining your scale.

Step 4: Notifying your County Weights and Measures Office.

Step 1: Selecting a suitable scale

Consider:

- Range of weighing (min & max)
 - Division (increment) size
 - Precision (Accuracy Class)
- To meet your business needs

Legal-for-trade scales purchased from a scale dealer or purchased online will require calibration before use. A Registered Service Agency (RSA) can assist you in the selection of a type approved and suitable scale. They will ensure the scale is accurate and correct, install and place the scale into commercial use pending inspection by weights and measures, and can assist in the scale registration process. RSAs listings can be found at <https://www.cdfa.ca.gov/dms/programs/rsa/rsa.html> or via online searches.

Step 2: Setting up your scale

- Scales must be installed and operated per the manufacturer's instructions and California laws and regulations.
- Scales must be placed on a level solid surface and properly used and maintained (refer to owner's manual).
- Legal-for-trade scales must be "sealed" by a County Weights and Measures Office.
- Precision scales may need to be verified and recalibrated when moved to another location within a production facility or retail establishment.

Step 3: Using and maintaining your scale

- Use the scale according to the owner's reference manual.
- Deduct "TARE" (packaging, wrappings, containers, etc.) to determine "NET" weight (NET = GROSS – TARE).
- The owner or user is responsible for ensuring the accuracy and proper maintenance of a commercial scale.
- EVERYBODY benefits from an accurate scale. The customer is not cheated and the seller is protected by weights and measures officials who ensure a level playing field for all competing businesses.

Step 4: Register a scale with your county

- Most California counties have local ordinances requiring annual registration of commercial scales.
- Find your County Weights and Measures Office at: <https://www.cdfa.ca.gov/exec/county/countymap/>

SELECTING THE BEST SCALE(S) FOR CANNABIS

For Harvest Weights, Bulk Packaging, Net Weight Verification and Weight Verification for Track and Trace Reporting.

Typical Scale Capacities		Maximum Scale Division Size (Increments)	
Metric Units kilogram (kg)	US Standard Units pound (lb)	Metric Units gram (g)	US Standard Units pound (lb)
0.5 kg (500 g)	1 lb	0.1 g	0.001
5 kg	10 lb	1 g	0.01 lb
50 kg	100 lb	10 g	0.1 lb
50 kg +	100 lb +	100 g +	1.0 lb +

For Retail Packaging, Net Weight Verification, and Retail Sales from Bulk.

Typical Weighing Range	Maximum Scale Division Size (Increments)
0-1 gram (g)	0.01 g
Between 1-10 g	0.01 g
Between 10-100 g	0.1 g
Between 100-1,000 g	1 g
Between 1/8 ounce (oz) to 1/2 oz	0.0005 oz (0.00002 lb) (0.01 g)*
Between 1/2+ oz to 1 oz	0.005 oz (0.0002 lb) (0.1 g)*
Between 1+ oz	0.05 oz (0.002 lb) (1 g)*

*Conversions rounded to nearest legal division size.

Additional Resources

California Weights and Measures Laws and Regulations	www.cdfa.ca.gov/dms/publications.html
Buying Legal-for-Trade Scales Online	ncwm.net/resource/consumer-information
National and California Type Evaluation Program - Certificate Search Database	ncwm.net/ntep/cert_search and cdfa.ca.gov/dms/ctep.html
California Weighmaster Requirements	https://www.cdfa.ca.gov/dms/programs/wm/wm.html

SALES BY WEIGHT:

A business needs to determine weight of:

- containers/packages of trimmings,
- containers/packages of product, and
- packages of dried flower.

These different types of containers and packages will likely require scales of different capacities and division sizes due to basic suitability requirements.

- Scale 1: For weighing 1 lb net-weight packages the grower could use a 1 kg x 0.001 kg scale (1000 g x 1 g).
- Scale 2: For weighing 1 gram net-weight packages the grower could use a 500 g x 0.01 g scale.

This may include, but is not limited to packages of:

- Usable cannabis (buds, flowers)
- Edibles
- Topicals (ointments, creams, balms, emollients)
- Shatter (cannabis concentrate)

SALES BY VOLUME:

Cannabis products in liquid form are sold by volume, e.g., milliliters (ml) and fluid ounces (fl oz).

This may include, but is not limited to packages of:

- Oils
- Tinctures
- Extracts



Go online at <https://www.cdfa.ca.gov/dms/> or send an email to DMS@cdfa.ca.gov for additional information.



Worker Safety Information

Cal/OSHA Consultation Services

The Cal/OSHA Consultation Service provides assistance to employers and workers about workplace safety and health issues through on-site assistance, high hazard consultation and special emphasis programs, and develops educational materials on workplace safety and health topics.

Provides workplace safety and health assistance to employers and workers through on-site assistance and special emphasis programs, and publishes a wide variety of educational materials on workplace safety and health topics.

Consultative assistance is provided to employers through on-site visits, telephone support, publications, eTools and educational outreach. All services provided by Cal/OSHA Consultation are provided free of charge to California employers.

View a Video about Consultation on-line! A transcript of the video is also provided.

If you are an employer who wishes to obtain assistance from Cal/OSHA Consultation, or want to learn more about what services are available, you can do so by calling the toll-free assistance number, 1(800)963-9424. If you want to arrange an on-site visit or obtain technical information, you can contact the Cal/OSHA Consultation area office nearest your workplace or you can email us at InfoCons@dir.ca.gov.



ATTACHMENT E

NOTICE OF NON-COMPLIANCE – TEMPORARY LICENSE HOLDER

CULTIVATOR NAME:		CC LICENSE #:	
DATE OF ISSUANCE:		ISSUED BY:	

☐

CHECK THIS BOX IF NO VIOLATIONS WERE FOUND AT THE TIME OF INSPECTION

IF VIOLATIONS WERE FOUND INDICATE THE AREA OF NON-COMPLIANCE BELOW:

VIOLATION	DESCRIPTION	VIOLATION	DESCRIPTION

THE VIOLATIONS NOTED ABOVE MAY NOT INCLUDE ALL VIOLATIONS. COMPLIANCE AND ENFORCEMENT MAY IDENTIFY ANY ADDITIONAL VIOLATIONS IF NEEDED AT COMPLETION OF YOUR LICENSED ENTITY'S REVIEW. ADDITIONAL RECORDS MAY BE REQUESTED FOR FURTHER EXAMINATION.

BY SIGNING BELOW, YOU ARE ACKNOWLEDGING RECEIPT OF THIS VIOLATION CHECKLIST – NOT AN ADMISSION OF VIOLATION.

IF YOU HAVE ANY QUESTIONS PLEASE CONTACT tabatha.chavez@cdfa.ca.gov BE SURE TO INCLUDE YOUR LICENSE NUMBER AND DATE OF ISSUANCE ON ANY CORRESPONDENCE.

COMMENTS/REMEDY INSTRUCTIONS:

PRINTED NAME & TITLE OF RECIPIENT

SIGNATURE OF RECIPIENT

DATE

PRINTED NAME & TITLE OF ISSUING INVESTIGATOR

SIGNATURE OF ISSUING INVESTIGATOR

DATE

ATTACHMENT F

SAMPLE INVOICE

(County Letterhead)

Date:

California Department of Food and Agriculture
 CalCannabis Cultivation Licensing Division
 Attn: Margaret Cornell
 1220 N Street
 Sacramento, CA 95814

County Cannabis Pilot Inspection Program

Agreement #:

FY:

Invoice

-Invoice period dates here-

Total Number of Inspections:	
Number of Inspections X \$200.00:	
Total Due:	

Contract Amount	0.00
Billed to Date	0.00
Balance	0.00

County Approver (print name)

County Approver (signature)

Date

Submit invoices with the Cultivator Inspection Forms by email to:

Margaret Cornell
 CDFA- CalCannabis Division
margaret.cornell@cdfa.ca.gov

1. The invoice must be signed and dated by the county approver, or the invoice cannot be processed.
2. Only authorized charges reconciling to the Scope of Work and Commitment Form will be reimbursed, i.e. number of inspections completed.
3. Payment of the invoice is contingent on submission of completed and accurate CalCannabis Temporary Licensee Inspection document packet.
4. All invoices, including any amendments, must be received within 30 days of the expiration of the contract.

**EXHIBIT B
(County Agreement)**

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor, Grant, Sub-Grant or Agreement recipient for actual expenditures incurred in accordance with this Agreement and stated herein, which is attached hereto and made a part of this Agreement or Grant.

Original invoices shall include the agreement/contract number, dates of service, type of work performed, and when applicable, a breakdown of the costs of parts and materials, labor charges, and any other relevant information required to ensure proper invoices are submitted for payment. Invoices shall be itemized to follow the allowed expenses outlined in the agreement/contract budget and Scope of Work documents.

- B. Unless mutually agreed, monthly invoices must be submitted within 30 days from the end of each month in which services were rendered. Invoices must include the Agreement number and submitted in triplicate to the Program Contract Manager listed in this contract.
- C. Any travel and subsistence payments authorized under this agreement shall be paid as needed to execute the work. The maximum travel rates allowable are those established by the California Department of Human Resources. <http://www.calhr.ca.gov/employees/pages/travel-meals.aspx>.

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

3. Funding Sources for County Contracts (If no Federal Funds, this Section is not applicable)

An annual report of expenditures, where county payments are supported by Federal funds, will be issued by CDFA Administrative Services, Financial Services Branch. This report will be issued by September 30th for invoices submitted prior to July 31st for services rendered in the prior State Fiscal Year.

Federal and State Regulations - The County will comply with all Federal and State regulations and requirements. The County must ensure they have an adequate accounting system in place and appropriate internal controls to ensure expenditures are tracked and maintained.

All sub-recipients of Federal awards shall comply with the Code of Federal Regulations (CFR) Title 2, Part 225 - Cost Principles for State and Local Governments and Title 7, Part 3016 - Uniform Administrative Requirements for Grants and Cooperative Agreements to state and local governments.

Federal 2 CFR 225 (OMB Circular A-87) can be found at the following website:

<http://training.fws.gov/fedaid/toolkit/2cfr225.pdf>

Federal 7 CFR 3016 can be found at the following website:

http://www.access.gpo.gov/nara/cfr/waisidx_01/7cfr3016_01.html

The State's accounting standards and procedures for counties provided by the State Controller's Office are located at the following website: <http://www.sco.ca.gov/ard/manual/cntyman.pdf>

BUDGET DETAIL **COUNTY CANNABIS PILOT INSPECTION PROGRAM**

County:
 Contract Manager:

\$200 Flat fee per inspection

# of Licenses in County	Associated Assessor Parcel Numbers	*Percentage	Percentage x \$311,000.00 = County allotment	Estimated # of Inspections (allotment divided by \$200)	Average # of Inspections for each APN (# of inspections divided by APN)	Total Contract Amount
294	76	.087256	\$27,136.62	136	1.785304	\$27,136.62

*Percentage is determined by dividing cannabis parcels in county by 871, the current number of cannabis parcels in the seven counties in the Pilot Inspection Program. Percentage is then applied to CalCannabis Program budget allotted for inspection services to determine county allotment.

EXHIBIT D
(County Agreement)

SPECIAL TERMS AND CONDITIONS

1. **Excise Tax**

The State of California is exempt from federal excise taxes and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another state.

2. **Settlement of Disputes**

In the event of a dispute, Contractor shall file a "Notice of Dispute" with the CDFA within ten (10) days of discovery of the problem. Such Notice of Dispute shall contain the Agreement number. Within ten (10) days of receipt of such Notice of Dispute, the Agency Secretary, or Designee, shall meet with the Contractor and the CDFA project manager for the purpose of resolving the dispute. The decision of the Agency Secretary or Designee shall be final. In the event of a dispute, the language contained within this Agreement shall prevail over any other language including that of the bid proposal.

3. **Evaluation of Contractor- Consultant Contracts Only**

Per the Department of General Services (DGS), all contracts for consultant services of \$5,000 or more must be evaluated. The Contract/Contraction Evaluation, Form Std. 4, must be prepared by the program within 60 days of the completion of the contract. These evaluations shall remain on file by the Department (in a separate location from the contract file) for a period of 36 months.

4. **Agency Liability**

The Contractor warrants by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the State shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

5. **Potential Subcontractors**

If Contractor subcontracts out a portion of the work required by this Agreement, nothing contained in this Agreement or otherwise, shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

6. **Right To Terminate**

The State reserves the right to terminate this agreement subject to 30 days written notice to the Contractor. Contractor may submit a written request to terminate this agreement only if the State should substantially fail to perform its responsibilities as provided herein. However, the agreement can be immediately terminated for cause.

**EXHIBIT E
(County Agreement)**

ADDITIONAL PROVISIONS

CONTRACT AND SUBCONTRACT COMPLIANCE REQUIREMENTS

The Contractor shall ensure its officers, agents and employees will fully cooperate with any/all investigations conducted by the Department of Food and Agriculture's Equal Employment Opportunity and Human Resources Offices and will require the same of any subcontractors or consultants used pursuant to this agreement.

UNFAIR PRACTICES ACT

Contractor hereby certifies that he/she will comply with the requirements of Section 17200 of the Business and Professions Code.

CONFLICT OF INTEREST

Contractor certifies that its employees and the officers of its governing body shall avoid any actual or potential conflicts of interest, and that no officer or employee who exercises any functions or responsibilities in connection with this Agreement shall have any personal financial interest or benefit which either directly or indirectly arises from this Agreement.

Contractor shall establish safeguards to prohibit its employees or its officers from using their positions for a purpose which could result in private gain or which gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business or other ties.

LICENSE AND PERMIT REQUIREMENTS

The Contractor shall be an individual or firm properly licensed to do business in California in accordance with the laws of the State of California, and shall obtain at his/her expense all license(s) and permit(s) required by law for accomplishing any work required in connection with this agreement.

If you are a Contractor located within the State of California, a business license from the city/county in which you are headquartered is necessary; however, if you are a corporation, a copy of your incorporation documents/letter from the Secretary of State's Office can be submitted. If you are a Contractor outside the State of California, you will need to submit to the CDFA a copy of your business license or incorporation papers for your respective state showing that your company is in good standing in that state.

In the event any license(s) and/or permit(s) expire at any time during the term of this contract, Contractor agrees to provide agency a copy of the renewed license(s) and/or permit(s) within 30 days following the expiration date. In the event the Contractor fails to keep in effect at all times all required license(s) and permit(s), the State may, in addition to any other remedies it may have, terminate this agreement upon occurrence of such event.

Licensed contractors must observe professional standards for quality work or the California Contractors State License Board will invoke disciplinary action.

Should the State of California determine that the work or materials provided vary materially from the specifications, or that defective work when completed was not performed in a workmanlike manner, then the Contractor warrants that he/she shall perform all necessary repairs, replacement and corrections needed to restore the property according to the agreement plans and specifications, all at no further or additional cost to the State of California.

INSURANCE REQUIREMENTS

Contractor shall comply with all requirements outlined in the (1) General Provisions section and (2) Contract Insurance Requirements outlined in this section. No payments will be made under this contract until contractor fully complies with all requirements.

EXHIBIT E
(County Agreement)

1. General Provisions Applying to All Policies

- a. Coverage Term – Coverage needs to be in force for the complete term of the contract. If insurance expires during the term of the contract, a new certificate must be received by the State at least ten (10) days prior to the expiration of this insurance. Any new insurance must comply with the original contract terms.
- b. Policy Cancellation or Termination & Notice of Non-Renewal – Insurance policies shall contain a provision stating coverage will not be cancelled without 30 days prior written notice to the State. New Certificates of insurance are subject to the approval of the Department of General Services and the Contractor agrees no work or services will be performed prior to obtaining such approval. In the event Contractor fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate this contract upon the occurrence of such event, subject to the provisions of this contract.
- c. Premiums, Assessments and Deductibles – Contractor is responsible for any premiums, policy assessments, deductibles or self-insured retentions contained within their insurance program.
- d. Primary clause – Any required insurance contained in this contract shall be primary and not excess or contributory to any other insurance carried by the State.
- e. Insurance Carrier Required Rating – All insurance carriers must carry an AM Best rating of at least an "A-" with a financial category rating of no lower than VI. If the contractor is self-insured for a portion or all of its insurance, documentation of self-insurance must be submitted and approved by the Department of General Services, Office of Risk and Insurance Management.
- f. Endorsements – Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
- g. Inadequate Insurance – Inadequate or lack of insurance does not negate the contractor's obligation under the contract.
- h. Use of Subcontractors – In the case of Contractor's utilization of subcontractors to complete the contracted scope of work, the contractor shall include all subcontractors as insured's under Contractor's insurance or supply evidence of subcontractor's insurance to the State equal to policies, coverages and limits required of the Contractor.

2. Contract Insurance Requirements

Prime Contractor Insurance Requirements

Contractor shall display on an Acora certificate of insurance evidence of the following coverages:

Commercial General Liability Insurance

Contractor shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with a \$2,000,000 annual policy aggregate. A "per project aggregate" endorsement is required. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's liability.

The policy must be endorsed to name **The State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed under this contract.**

Automobile Liability Insurance

**EXHIBIT E
(County Agreement)**

Contractor shall maintain automobile liability insurance for limits not less than \$1,000,000 combined single limit. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles

Workers Compensation Insurance

The Contractor shall have and maintain, for the term of this agreement, workers' compensation insurance and shall furnish to the State a certificate of insurance evidencing workers' compensation insurance and employer's liability presently in effect with limits not less than \$1,000,000 by an insurance carrier licensed to underwrite workers' compensation insurance in California. Such certificate shall include the name of the carrier, policy inception and expiration dates. If the Contractor is self-insured for workers' compensation, a certificate must be presented evidencing Contractor is a qualified self-insurer in the State of California. By signing this agreement, the Contractor hereby warrants that it carries workers' compensation insurance on all of its employees who will be engaged in the performance of this agreement. If staff provided by the Contractor is defined as independent contractors, this clause does not apply.

The insurer waives any right of recovery the insurer may have against the State because of payments the insurer makes for injury or damage arising out of the work done under contract with the State. The waiver of Subrogation or Right to Recover endorsement in favor of the State of California must be attached to certificate.

Sub-Contractor Insurance Requirements

Contractor shall display on an Acor certificate of insurance evidence of the following coverages:

Commercial General Liability Insurance

Contractor shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with a \$2,000,000 annual policy aggregate. A "per project aggregate" endorsement is required. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's liability.

The policy must be endorsed to name **The State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed under this contract**

Automobile Liability Insurance

Contractor shall maintain automobile liability insurance for limits not less than \$1,000,000 combined single limit. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles.

Workers Compensation Insurance

The Contractor shall have and maintain, for the term of this agreement, workers' compensation insurance and shall furnish to the State a certificate of insurance evidencing workers' compensation insurance and employer's liability presently in effect with limits not less than \$1,000,000 by an insurance carrier licensed to underwrite workers' compensation insurance in California. Such certificate shall include the name of the carrier, policy inception and expiration dates. If the Contractor is self-insured for workers' compensation, a certificate must be presented evidencing Contractor is a qualified self-insurer in the State of California. By signing this agreement, the Contractor hereby warrants that it carries workers' compensation insurance on all of its employees who will be engaged in the performance of this agreement. If staff provided by the Contractor is defined as independent contractors, this clause does not apply.

The insurer waives any right of recovery the insurer may have against the State because of payments the insurer makes for injury or damage arising out of the work

**EXHIBIT E
(County Agreement)**

done under contract with the State. The waiver of Subrogation or Right to Recover endorsement in favor of the State of California must be attached to certificate.

CHEMICAL APPLICATIONS

To safeguard both life and property, the Contractor will provide a list to the CDFA Project Manager of all chemicals to be issued on the site, prior to use, along with a copy of Material Safety Data Sheets (MSDS) for all chemicals used. Appropriate protective clothing and gear according to the label requirement and type of chemical used shall be provided by the Contractor and worn during application. All containers holding pesticides shall be properly labeled with the name and strength of the chemical and active ingredients. Pesticide and other toxic materials will NOT BE stored on CDFA property. Containers with any chemical residue shall NOT BE placed in CDFA receptacles. The Contractor shall appropriately dispose of containers. Contractor is responsible for adhering to all environmental laws regarding the proper disposal of water containing chemicals used in the process of providing services described in the contract.

QUALIFICATIONS

The prospective contractor must have the experience, qualifications and resources to perform the work required by this agreement.

MULTIPLE CONTRACTORS

The CDFA may undertake or award other contractors for additional work and the Contractor shall fully cooperate with other contractors and State employees.

SUBCONTRACTORS

Contractor shall obtain prior approval from CDFA before hiring subcontractors, consultants or both. The total amount of all subcontracts shall not exceed \$50,000 or 25% of the total amount of the contract, whichever is less, unless the Contractor can provide certified documents that award was made through a competitive bidding process requiring at least three bids from responsible bidders.

All subcontractors identified shall be experts in their respective disciplines and capable of performing the tasks for which they were hired. Subcontractors shall have extensive experience in their area of expertise, with particular emphasis on prior experience on similar programs or projects that clearly illustrate their expertise in areas essential to the CDFA.

The Contractor must use the Small business and/or Disabled Veterans Business Enterprise (DVBE) subcontractor(s) identified in the Small Business/DVBE Participation Summary submitted with the bid unless the Contractor requests substitution in writing to the CDFA prior to the subcontractor performing any work and the CDFA approves such substitution.

POTENTIAL SUBCONTRACTORS

Nothing contained in this agreement or otherwise, shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to the subcontractor.

FORCED, CONVICT, AND INDENTURED LABOR

No foreign-made equipment, materials, or supplies furnished to the State pursuant to this contract may be produced in whole or in part by forced labor, convict labor, or indentured labor.

FORCE MAJEURE

EXHIBIT E
(County Agreement)

Except for defaults of any subcontractors, neither party shall be responsible for any delay in or failure of performance from acts beyond the control of the offending party. Such acts shall include, but shall not be limited to, acts of God, fire, flood, earthquake, other natural disaster, nuclear accident, strike, lockout, riot, freight embargo, public regulated utility, or governmental statutes or regulations superimposed after the fact. If a delay or failure in performance by the Contractor arises out of a default of its subcontractor, and if such default of its subcontractor, causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for damages of such delay or failure, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule.