

DEPARTMENT OF CONSUMER AFFAIRS

Concepts for General Licensing

Medical Cannabis Regulation and Safety Act



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Background

- Our job: implement, interpret, or make specific the MCRSA
- Each licensing authority developing own regulations
- Overlap on some subjects
- BMCR would like feedback on some initial concepts we have developed



Topics to be Covered

1. Owners and financial interest
2. Background checks
3. Priority for application review
4. Local government approval



Topic 1: Owners & Financial Interest

Existing Law:

- “Applicant”
 - Owner or owners of the proposed premises
 - For entities: participation in direction, control, or management of, or having a financial interest in, the proposed premises
 - For publicly traded companies: CEO or any person/entity with $\geq 5\%$
- “Person”
 - Individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, etc.
- **Objective:** Determine the definition of “owner.”



Topic 1: Owners & Financial Interest

BMCR's thoughts

- Define owners as individuals with different financial interests
- Based on Oregon model



Topic 2: Background Checks

Existing Law:

- All applicants must submit electronic fingerprints to the Department of Justice
- For those applicants with a criminal history, each licensing authority must to conduct a thorough review of the nature of the offense, conviction, circumstances, and evidence of rehabilitation of the applicant



Topic 2: Background Checks

Objectives

- a) Determine who qualifies as an applicant, therefore who should undergo a background check
- b) Determine what factors should be considered by the licensing authority when conducting a review of an individual's background



Topic 2a: Required Checks

BMCR's thoughts

- Business owners should be responsible for their employees
- Require background checks on owners only



Topic 2b: Rehabilitation Consideration

BMCR's thoughts

- Stay open to all factors
- Possible factors:
 - Nature and severity of the act or offense under consideration as grounds for denial
 - Evidence of any act committed subsequent to the act or offense under consideration as grounds for denial



Topic 2b: Rehabilitation

- Possible factors, continued:
 - Time that has elapsed since commission of the act or crime
 - Whether the applicant has complied with any terms of parole, probation, restitution, or any other sanctions lawfully imposed against the applicant
 - Total criminal record
 - Certificates of rehabilitation or other similar documents from other states



Topic 3: Priority for Application Review

Existing Law: Licensing authorities shall prioritize applications that can prove they were in operation and in good standing with local jurisdiction before January 1, 2016.



Topic 3: Priority for Application Review

Objectives:

- a) Determine first date of operation for business
- b) Define “good standing” with local jurisdiction
- c) Define priority of applications that qualify for January 1, 2016 priority



Topic 3a: First Date of Operations

BMCR's thoughts

- All businesses are different; obtaining license different from opening doors
- Desire for more simple solution
- Consider it the first date the business began conducting commercial cannabis activity



Topic 3b: Good Standing

BMCR's thoughts

- Receiving list from locals is challenging
- Need affirmative confirmation from local government
- Certified document from locals with signature and letterhead with affirmative authorization



Topic 3c: Priority Review

BMCR's thoughts

- Desire for simple, straightforward approach
- All these applications will still have priority review
- Review these applications as they come in



Topic 4: Local Government Approval

Existing Law: All applicants for state licensure must obtain a local license, permit, or other authorization prior to being issued a state license for commercial cannabis activity.

Objective: Define “other authorization”



Topic 4: Local Government Approval

BMCR's thoughts:

- Desire for simple, straightforward solution
- Receiving list from locals is challenging
- Need affirmative confirmation from local government
- Certified document from locals with signature and letterhead with affirmative authorization



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Thank you

We look forward to learning about
your feedback.



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BMCR & OMCS Stakeholder Meetings

- Redding - Monday, September 19
- Sacramento - Tuesday, September 20
- Santa Rosa - Thursday, September 22
- Oakland - Monday, September 26
- Fresno - Tuesday, September 27
- Los Angeles - Tuesday, October 4
- San Diego - Wednesday, October 5
- Orange County - TBD



*All meetings will be held
from 1:00 - 7:00 p.m.*