



July 19, 2017

Overview of SB 94/MAUCRSA:

On June 27, 2017, Governor Brown signed SB-94, the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), pronounced “mao-ker-suh,” into law to replace MCRSA and AUMA. Under MAUCRSA, the following commercial cannabis licenses will be available starting January 1, 2018, so long as the applicant has the approval of their local jurisdiction. Licenses will be designated as either “M” (medical) or “A” (adult-use), except for Testing facilities.

Here are the most noted provisions of MAUCRSA:

1. The governing bureau will now be the Bureau of Cannabis Control (“the Bureau”). The Bureau was previously, the Bureau of Medical Marijuana Regulation and then was the Bureau of Cannabis Regulation.
2. The types of licenses available under MAUCRSA are in the chart below. The licenses are substantively the same as they were under MCRSA and AUMA, with each license available as a medicinal or adult use.
 - a) The most significant change to the licenses are that there is no longer a producing dispensary or transporter licenses.
 - b) Transportation will now be done by the Distributor licensees. Distributors will be required to store cannabis batches on their premises during testing, testing lab employees will be required to obtain samples for testing and transport those samples to testing labs, and distributors will be required to conduct a quality assurance review to ensure compliance with labeling and packing requirements, among other things.
3. MAUCRSA does not limit the combinations of medicinal cannabis licenses a person may hold until January 1, 2026, which is a change from MCRSA which did limit vertical integration.
 - a) The only licensee that is prohibited from obtaining licenses to engage in other commercial cannabis activities is the Testing licensees.
4. Retail licensees can now opt for a delivery only model.
5. Retail licensees must ensure that cannabis products leaving their premises are in an opaque package.
6. MAUCRSA repeals the residency requirements of the AUMA, which will allow non-California residents and residents of other countries to obtain licenses.
7. Additional advertising requirements, including regulation of online advertising and the creation of a universal symbol for edible cannabis products will be implemented.
8. The cannabis excise tax will be measured by the average market price (as defined) of the retail sale, instead of by the gross receipts of the retail sale.
9. Applicants for cultivation licenses will need to identify the source of water supply and meet strict requirements regarding diversion or groundwater.

10. Cannabis Cooperative Associations can now be formed and operate similarly to agricultural cooperatives. Under MAUCRSA, members of a cannabis cooperative cannot grow more than four acres of total canopy size of cultivation throughout the state.
11. Temporary events licenses will be available for onsite sales and use of cannabis by people 21 years or older at certain events.
12. The Bureau will no longer have the authority to regulate and control industrial hemp, instead that will be overseen by the Industrial Hemp Advisory Board, which is created pursuant to the Food and Agricultural Code under the California Department of Food and Agriculture (CDFA).

License type:	Description
Type 1 – Cultivation; Specialty outdoor; Small	Less than or equal to 5,000 square feet of total canopy size on one premises, or up to 50 mature plants on noncontiguous plots.
Type 1A – Cultivation; Specialty indoor; Small	Between 501 and 5,000 square feet of total canopy size on one premises.
Type 1B – Cultivation; Specialty mixed-light; Small	Between 2,501 and 5,000 square feet of total canopy size on one premises.
Type 1C – Cultivation; Specialty cottage; Small	2,500 square feet or less of total canopy size for mixed-light cultivation, up to 25 mature plants for outdoor cultivation, or 500 square feet or less of total canopy size for indoor cultivation, on one premises.
Type 2 – Cultivation; Outdoor; Small	Between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.
Type 2A – Cultivation; Indoor; Small	Between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.
Type 2B – Cultivation; Mixed-light; Small	Between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.
Type 3 – Cultivation; Outdoor; Medium	From 10,001 square feet to one acre, inclusive, of total canopy size on one premises. The Department of Food and Agriculture shall limit the number of licenses allowed of this type.
Type 3A – Cultivation; Indoor; Medium	Between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises. The Department of Food and Agriculture shall limit the number of licenses allowed of this type.
Type 3B – Cultivation; Mixed-light; Medium	Between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises. The Department of Food and Agriculture shall limit the number of licenses allowed of this type.

Type 4 – Cultivation; Nursery	Shall only have clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis.
Type 5 – Cultivation; Outdoor; Large	Greater than one acre, inclusive, of total canopy size on one premises, but no license issued before January 1, 2023.
Type 5A – Cultivation; Indoor; Large	Greater than 22,000 square feet, inclusive, of total canopy size on one premises, but no license issued before January 1, 2023.
Type 5B – Cultivation; Mixed-light; Large	Greater than 22,000 square feet, inclusive, of total canopy size on one premises, but no license issued before January 1, 2023.
Type 6 – Manufacturer Level 1 [using non-volatile solvents]	Extraction and/or infusion processes, including processing, preparing, making, packaging, or labeling of cannabis products (i.e. concentrates, edibles, and oils)
Type 7 – Manufacturer Level 2 [using volatile solvents]	Extraction and/or infusion processes, including processing, preparing, making, packaging, or labeling of products containing cannabis (i.e. concentrates, edibles, and oils)
Type 8 – Testing Laboratory	Perform quality assurance testing re compliance with state law regarding content (i.e. THC, CBD, CBDA, etc), pesticide residue, contaminants, impurities, and labeling.
Type 10 – Retailer	Licensed to sell/deliver cannabis or cannabis products.
Type 11 – Distributor	Licensed to store, provide cannabis transport, arrange for testing, and to conduct quality assurance regarding labeling and packaging prior to delivery to retailer.
Type 12 – Microbusiness	Licensed to cultivate (less than 10,000 sq. ft.), distribute/transport, manufacture, and retail on a small scale.