

California Adopts Emergency Cannabis Regulations for Licensing Beginning on January 1, 2018 (by Dorsey & Whitney LLP)

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California has one of the largest consumer and business markets in the world, with a population larger than all of Canada. As a result, regulatory developments in the state should be of interest to all cannabis producers and investors across North America.

We also keep track of these developments as they directly impact our work with California-based clients, often alongside US law firms. Kenneth Sam and Jason Brenkert of Dorsey & Whitney LLP, based in their Denver office, published the following article on November 28, 2017. We look forward to increasing our blog content through a wide variety of guest contributors in order to provide our readers with additional perspectives from various industry thought leaders.

On November 16, 2017, California published the long awaited rules and regulations to implement voter approved Proposition 64, the Adult Use of Cannabis Act of 2016, which legalized adult use of cannabis in the State of California. The California Legislature passed and the Governor signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), which creates the general framework for the regulation of both commercial medicinal and adult-use (recreational) cannabis. Under MAUCRSA, the California cannabis industry is regulated by three state agencies: Bureau of Cannabis Control (distribution, testing, retail and microbusiness), Department of Food and Agriculture (cultivation), Department of Public Health (manufacturing). Each of these state agencies established new regulations under an “emergency” rule-making process for commercial medicinal and adult-use (recreational) cannabis industries. The “emergency” regulations will be followed by a formal rule making process beginning next year.

The published “emergency” regulations, a total of 276 pages, apply to medicinal and adult-use cannabis and consist of California Code of Regulations, Title 16, Division 42, Bureau of Cannabis Control (115 pages); California Code of Regulations, Title 3, Division 8, Cannabis Cultivation (62 pages); and California Code of Regulations, Title 17, Division 1, Chapter 13, Manufactured Cannabis Safety (97 pages) (collectively, the “Regulations”). The Regulations provide the rules and regulations that commercial cannabis businesses must comply with by January 1, 2018, when California is scheduled to begin issuing temporary cannabis permits. Formal rule making will follow.

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For a complete summary and highlights of the regulations, please see the full article **here**.

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We Can Help

For more information on how Cassels can assist your cross-border business in the United States and our experiences to date with cannabis companies in the State of California, please contact a member of our firm's cross-disciplinary Cannabis Group.

This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.