

CCOF OCal Certification Services, LLC

OCAL STANDARDS MANUAL



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The following is a copy of the CDFA and CDPH OCal Program regulations as set forth in:

- California code of Regulations Title 3. Food and Agriculture Division 8. Cannabis Cultivation Chapter 3. OCal Program.
- Title 17. Public Health Division 1. State Department of Health Services Chapter 5. Sanitation (Environmental) Subchapter 2.5. Ocal

Original versions of these standards are available at:

- <https://www.cdfa.ca.gov/calcannabis/ocal.html>
- <https://www.cdph.ca.gov/Programs/CEH/DFDCS/Pages/FDBPrograms/FoodSafetyProgram/OCal.aspx>

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CALIFORNIA CODE OF REGULATIONS TITLE 3. FOOD AND AGRICULTURE DIVISION 8. CANNABIS CULTIVATION CHAPTER 3. OCal PROGRAM.

ARTICLE 1. DEFINITIONS

Section 10000. Definitions.

The following definitions, including definitions in section 26001 of the Business and Professions Code, and definitions included in title 4, section 16000 of the California Code of Regulations apply to this chapter.

(a) "Accreditation" means a determination made by the California Department of Food and Agriculture that authorizes a private entity or local jurisdiction to conduct certification activities when registered as a certifying agent pursuant to this chapter. (b) "Action level" means the limit at or above which the U. S. Food and Drug Administration will take legal action against a product to remove it from the market.

Action levels are based on unavailability of poisonous or deleterious substances and do not represent permissible levels of contamination where it is avoidable.

(c) "Agricultural inputs" means all substances or materials used in the production of OCal cannabis or nonmanufactured cannabis products.

(d) "Allowed synthetic" means a substance that is included on the National List of synthetic substances allowed for use in organic production, as provided in The National List of Allowed and Prohibited Substances, 7 Code of Federal Regulations (7 CFR) section 205.601.

(e) "Applicant" means an owner of the applicant entity or sole proprietor applying for accreditation, registration, or certification pursuant to this chapter.

(f) "Area of operation" means the types of operations a certifying agent may be accredited to certify pursuant to this chapter.

(g) "Audit trail" means documentation that is sufficient to determine the source, transfer of ownership, and transportation of any cannabis or nonmanufactured cannabis product labeled "OCal."

(h) "Biodegradable" means subject to biological decomposition into simpler biochemical or chemical components.

(i) "Buffer zone" means an area located between land maintained under OCal or NOP certified Organic management and an adjacent land area not maintained under OCal or NOP certified Organic management.

(j) "Certification" or "certified" means a determination made by the registered certifying agent, and documented by a certificate, that a cultivation or distribution operation is in compliance with this chapter.

(k) "Certified operation" means a cannabis cultivator or distributor that has received OCal certification.

(l) "Certifying agent" means any entity that currently certifies operations.

(m) "Certifying agent's operation" means all sites, facilities, personnel, and records used by a certifying agent.

(n) "Claims" means oral, written, implied, or symbolic representations, statements, advertising or other forms of communication presented to the public or consumers that relate to the OCal certification process or the term "OCal".

(o) "Clone" means an asexually produced plant grown by taking a cutting from a mother plant or a tissue culture from a source plant that is genetically identical to the mother plant or source plant.

(p) "Commercially available" means the ability to obtain a production input in an appropriate form, quality, or quantity to fulfill an essential function in a system of production as determined by the registered certifying agent in the course of reviewing the OCal system plan.

(q) "Commingling" means physical contact between OCal produced and non-OCal produced cannabis and nonmanufactured cannabis products.

(r) "Compost" means the product of a managed process through which microorganisms break down plant and animal materials into more available forms suitable for application to the soil.

(s) "Control" means any method that reduces or limits damage by populations of pests, weeds, or diseases to levels that do not significantly reduce productivity.

(t) "Crop" means pastures, cover crops, green manure crops, catch crops, or any plant or part of a plant intended to be marketed as an agricultural product, or used in the field to manage nutrients and soil fertility.

(u) "Crop residues" means the plant parts remaining in a field after the harvest of a crop, which include stalks, stems, leaves, roots, and weeds.

(v) "Crop rotation" means a method of reducing soil erosion and increasing soil fertility, biodiversity, and crop yield through the practice of alternating the annual crops grown on a specific field in a planned pattern or sequence in successive crop years so that crops of the same species or family are not grown repeatedly, without interruption, on the same field.

(w) "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

(x) "Cultural methods" means methods used to enhance crop health and prevent weed, pest, or disease problems without the use of substances, such as the selection of appropriate varieties and planting sites, proper timing and density of plantings, irrigation, and extending or compressing a growing

season by manipulating the microclimate with green houses, cold frames, or wind breaks.

(y) “Detectable residue” means the amount or presence of chemical residue or sample component that can be reliably observed or found in the sample matrix by current approved analytical methodology.

(z) “Disease vectors” means plants or animals that harbor or transmit disease organisms or pathogens which may attack crops.

(aa) “Drift” means the physical movement of prohibited substances from the intended target site onto an OCal operation or portion thereof.

(ab) “Emergency pest or disease treatment program” means a mandatory program authorized by a federal, state, or local agency for the purpose of controlling or eradicating a pest or disease.

(ac) “Employee” means any person providing paid or volunteer services for the registered certifying agent.

(ad) “Excluded methods” means a variety of methods used to genetically modify organisms or influence their growth and development by means that are not possible under natural conditions or processes and are not considered compatible with organic and OCal production. Such methods include cell fusion (except when the donor cells/protoplasts fall within the same taxonomic plant family), microencapsulation and macroencapsulation, and recombinant DNA technology (including gene deletion, gene doubling, introducing a foreign gene, and changing the positions of genes when achieved by recombinant DNA technology). Such methods do not include the use of traditional breeding, conjugation, fermentation, hybridization, in vitro fertilization, or tissue culture.

(ae) “Fertilizer” means a single or blended substance containing one or more recognized plant nutrient(s) which is used primarily for its plant nutrient content and which is designed for use or claimed to have value in promoting plant growth.

(af) “Field” means an area of land identified as a discrete unit within a production operation.

(ag) “Handling” means the touching or manipulating of post-harvest OCal cannabis and nonmanufactured cannabis products, processing of OCal cannabis and nonmanufactured cannabis products, or accessing OCal cannabis and nonmanufactured cannabis products via an open container or an unsealed package at any point in the supply chain.

(ah) “Immediate family” means the spouse, minor children, or blood relatives who reside in the immediate household of the registered certifying agent or an employee, inspector, contractor, or other personnel of the registered certifying agent.

(ai) “Inert ingredient” means any substance (or group of substances with similar chemical structures if designated by the United States Environmental Protection Agency) other

than an active ingredient which is intentionally included in any pesticide product.

(aj) “Information panel” means any part of the cannabis or nonmanufactured cannabis product label that is not the primary panel and that contains required labeling information.

(ak) “Ingredient” means any substance that is used in the manufacture of a cannabis product and that is intended to be present in the product’s final form.

(al) “Inspection” means the act of examining and evaluating an operation to determine compliance with this chapter.

(am) “Inspector” means any person retained or used by the registered certifying agent to conduct inspections of certification applicants or certified operations.

(an) “Label” means a display of written, printed, or graphic matter upon a cannabis product, upon its container or wrapper, or that accompanies any cannabis product. (ao)

“Labeling” means any label or other written, printed, or graphic matter upon a cannabis product, upon its container or wrapper, or that accompanies any cannabis product.

(ap) “Laboratory or Testing laboratory” means a laboratory, facility, or entity in the state that offers or performs tests of cannabis and cannabis products is licensed by the Bureau of Cannabis Control and is accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state. (aq) “Licensee” means any person holding a cannabis cultivation or distribution license in the State of California.

(ar) “Limited-access area” means an area that is only accessible to the operator and authorized personnel of an operation.

(as) “Local jurisdiction” means a city, county, or city and county.

(at) “Manufacture” means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

(au) “Manure” means feces, urine, other excrement, and bedding produced by livestock that has not been composted.

(av) “Mother plant” means a plant used for the sole purpose of taking cuttings or offsets in order to grow more of the same plant.

(aw) “Mulch” means any nonsynthetic material, such as wood chips, leaves, or straw, or any synthetic material included on the National List for such use, such as newspaper or plastic that serves to suppress weed growth, moderate soil temperature, or conserve soil moisture.

(ax) “National List” means the list of allowed and prohibited substances included in National Organic Program regulations, 7 CFR sections 205.600 through 205.607.

(ay) “National Organic Program” or “NOP” means the federal regulatory program that develops and enforces uniform national standards for organically-produced agricultural products sold in the United States.

(az) “Natural resources of the operation” means the physical, hydrological, and biological features of a production operation, including but not limited to soil, water, wetlands, woodlands, and wildlife.

(ba) “Nonmanufactured cannabis product” means flower, shake, leaf, pre-rolls, and kief that is obtained from accumulation in containers or sifted from loose, dry cannabis flower or leaf with a mesh screen or sieve.

(bb) “Nonsynthetic (natural)” means a substance that is derived from mineral, plant, or animal matter and does not undergo a synthetic process, as defined in (cd) of this section.

(bc) “Nonretail container” means any container used for shipping or storage of nonmanufactured OCal cannabis products that is not used in the retail display or sale of the product.

(bd) “Nursery” means all activities associated with producing clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis.

(be) “OCal” means a labeling term that refers to cannabis and nonmanufactured cannabis products produced pursuant to this chapter or a certification program for manufactured cannabis products authorized under Business and Professions Code section 26062.

(bf) “OCal production” means a production system that is managed pursuant to this chapter to respond to site-specific conditions by integrating cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity.

(bg) “OCal Program” means the program authorized by Business and Professions Code section 26062(a)(1) to assure consumers that cannabis and nonmanufactured cannabis products certified under the OCal designation are produced pursuant to this chapter and comparable to the National Organic Program regulations, 7 CFR part 205.

(bh) “OCal system plan” means a plan of management of an OCal operation that has been agreed to by an operator and the registered certifying agent and that includes written plans concerning all aspects of cannabis production described in this chapter. (bi) “Operation” means a person that holds a valid and active California commercial cannabis cultivator or distributor license.

(bj) “Organic” means a labeling term that refers to an agricultural product produced in accordance with the Organic Foods Production Act and the National Organic Program regulations, 7 CFR part 205.

(bk) “Organic matter” means the remains, residues, or waste products of any organism. (bl) “Pest” means any of the following that is, or is liable to become, dangerous or detrimental to the agricultural or nonagricultural environment of the state: (1) Any insect, predatory animal, rodent, nematode, or weed; and (2) Any form of terrestrial,

aquatic, or aerial plant or animal virus, fungus, bacteria, or other microorganism (except viruses, fungi, bacteria, or other microorganisms on or in living man or other living animals).

(bm) “Pesticide” means: (1) Any spray adjuvant. (2) Any substance, or mixture of substances which is intended to be used for defoliating plants, regulating plant growth, or for preventing, destroying, repelling, or mitigating any pest, as defined in section 12754.5 of the Food and Agricultural Code, which may infest or be detrimental to vegetation, man, animals, or households, or be present in any agricultural or nonagricultural environment whatsoever.

(bn) “Planting stock” means any plant or plant tissue, including shoots and stem cuttings, used in plant cultivation or propagation.

(bo) “Practice standard” means the guidelines and requirements through which a production operation implements a required component of its OCal system plan.

(bp) “Premises” means the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or licensee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one licensee.

(bq) “Principal display panel” means that part of a label that is most likely to be displayed, presented, shown, or examined under customary conditions of display for sale.

(br) “Private entity” means any domestic nongovernmental for-profit or not-for-profit organization providing certification services.

(bs) “Process,” “Processing,” and “Processes” mean all activities associated with the drying, curing, grading, trimming, rolling, storing, packaging, and labeling of cannabis or nonmanufactured cannabis products.

(bt) “Production” means the cultivation or distribution of cannabis or nonmanufactured cannabis products.

(bu) “Prohibited substance” means a substance that shall not be used in any aspect of United States Department of Agriculture Organic or OCal production and is prohibited by the National Organic Program.

(bv) “Records” means any information in written, visual, or electronic form that documents the activities undertaken by an operation or registered certifying agent to comply with this chapter.

(bw) “Registered certifying agent” means any entity accredited by the department or the National Organic Program and registered by the department to certify an operation under the OCal Program pursuant to sections 10500 through 10506 of this chapter. (bx) “Registered certifying agent's operation” means all sites, facilities, personnel, and records used by the certifying agent registered by the department to conduct certification activities pursuant to this chapter.

(by) “Residue testing” means an official or validated analytical procedure that detects, identifies, and measures the presence of chemical substances, their metabolites, or degradation products in or on raw or processed agricultural products.

(bz) “Responsibly connected” means any person who is a partner, officer, director, holder, manager, or owner of 10 percent or more of the voting stock of an applicant or a recipient of certification, accreditation, or registration.

(ca) “Sewage sludge” means a solid, semisolid, or liquid residue generated during the treatment of domestic sewage in a treatment works. Sewage sludge includes but is not limited to: domestic septage; scum or solids removed in primary, secondary, or advanced wastewater treatment processes; and a material derived from sewage sludge. Sewage sludge does not include ash generated during the firing of sewage sludge in a sewage sludge incinerator or grit and screenings generated during preliminary treatment of domestic sewage in a treatment works.

(cb) “Soil and water quality” means observable indicators of the physical, chemical, or biological condition of soil and water, including the presence of environmental contaminants.

(cc) “Split operation” means an operation that produces both certified and noncertified products. The department does not consider an operation certified to produce both organic and OCal products a “split operation.”

(cd) “Synthetic” means a substance that is formulated or manufactured by a chemical process or by a process that chemically changes a substance extracted from naturally occurring plant, animal, or mineral sources, except that such term shall not apply to substances created by naturally occurring biological processes.

(ce) “Temporary” and “Temporarily” mean occurring for a limited time only (e.g., overnight, throughout a storm, the period of time specified by the department when granting a temporary variance), not permanent or lasting.

(cf) “Tolerance” means the maximum legal level of a pesticide chemical residue in or on a raw or processed agricultural commodity or processed food.

(cg) “Track-and-trace system” means the state-approved system used to track commercial cannabis activity and movement.

(ch) “Transplant” means a seedling which has been removed from its original place of production, transported, and replanted.

(ci) “Type of operation” means the type of operation that may be certified under this chapter.

(cj) “Unavoidable residual environmental contamination (UREC)” means background levels of naturally occurring or synthetic chemicals that are present in the soil or present in

organically produced agricultural products that are below established tolerances.

(ck) “Willful” means intentional or deliberate.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26001, 26013, and 26062, Business and Professions Code.

Section 10001. Incorporation by Reference.

(a) The following OCal guidance and instructions for registered certifying agents and certified operations are incorporated by reference into this chapter:

- (1) OCal 1000 Methods and Materials in OCal Production, April 23, 2021
- (2) OCal 2006 Separation of Duties in Certification Decisions, April 23, 2021
- (3) OCal 2602 Recordkeeping for Certified Operations, April 23, 2021
- (4) OCal 2608 Responding to Noncompliances, April 23, 2021
- (5) OCal 2609 Unannounced Inspections, April 23, 2021
- (6) OCal 2610 Sampling Procedures for OCal Cannabis Residue Testing, April 23, 2021
- (7) OCal 2611 Laboratory Selection Criteria for Prohibited Substance Testing, April 23, 2021
- (8) OCal 2611-1 Prohibited Pesticides for OCal Residue Testing, April 23, 2021
- (9) OCal 2613 Responding to Results of Pesticide Residue Testing, April 23, 2021
- (10) OCal 2614 Technical Assistance Instruction, April 23, 2021
- (11) OCal 2615 OCal System Plans, OCal System Plan Updates, and Notification of Changes, April 23, 2021
- (12) OCal 3012 Material Review, April 23, 2021
- (13) OCal 5006 Processed Animal Manures in OCal Production, April 23, 2021
- (14) OCal 5008 Reassessed Inert Ingredients, April 23, 2021
- (15) OCal 5020 Natural Resources and Biodiversity Conservation, April 23, 2021
- (16) OCal 5021 Compost and Vermicompost in OCal Production, April 23, 2021
- (17) OCal 5023 Substances Used in Post-Harvest Handling of OCal Products, April 23, 2021
- (18) OCal 5025 Commingling and Contamination Prevention in OCal Production, April 23, 2021
- (19) OCal 5026 The Use of Chlorine Materials in OCal Production, April 23, 2021
- (20) OCal 5029 Seeds and Planting Stock in OCal Cultivation, April 23, 2021
- (21) OCal 5033 Classification of Unique Materials, April 23, 2021
- (22) OCal 5033-1 Decision Tree for Classification of Materials, April 23, 2021
- (23) OCal 5034 Materials for OCal Cannabis Production, April 23, 2021

(24) OCal 5034-1 List of Materials for Use in OCal Cannabis Production, April 23, 2021

(25) OCal 5034-2 List of Materials Prohibited for Use in OCal Cannabis Production, April 23, 2021

(26) OCal 5036 Treated Lumber, April 23, 2021

(b) Food and Drug Administration regulation, 21 CFR section 179.26 (April 23, 2021) is incorporated by reference into this chapter.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

ARTICLE 2. APPLICABILITY

Section 10100. Who May Certify.

(a) A private entity or local jurisdiction shall satisfy the following criteria to certify cannabis operations under the department:

- (1) Be accredited by either the department pursuant to sections 10400 through 10407 of this chapter or the National Organic Program 7 CFR sections 205.500 through 205.510; and
- (2) Be registered by the department to certify under the OCal Program.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10101. What Must be Certified.

(a) Except for operations excluded in section 10102 of this chapter, each operation or specified portion of an operation that holds a commercial cannabis license from the department or other cannabis licensing authority and produces cannabis and nonmanufactured cannabis products that are intended to be sold, labeled, or represented as OCal shall be certified pursuant to the provisions of Article 6 of this chapter and shall meet all other applicable requirements of this chapter.

(b) A cultivation or distribution operation or specified portion of a cultivation or distribution operation shall be deemed to be certified under this chapter on the date its certifying agent receives registration under this chapter until the operation's next certification anniversary date if the certifier can demonstrate the operation's compliance with this chapter.

(c) Such recognition under subdivision (b) shall only be available to those operations certified by a certifying agent that is registered before January 1, 2022.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10102. Exclusions from Certification.

(a) A licensed commercial cannabis operation that does not handle cannabis and nonmanufactured cannabis products to be labeled, sold or represented as OCal is excluded from the requirements of this chapter. These operations include:

- (1) Distribution operations if nonmanufactured OCal cannabis products: (A) Are received enclosed in a package or container;
(B) Remain enclosed in the same package or container while under the control of the distributor, except for Bureau sampling; and
(C) Are in a container labeled pursuant to section 10301(a) of this chapter.
- (2) Laboratory operations.
- (3) Retail operations.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10103. Use of the Terms OCal and Organic.

(a) Any cannabis or nonmanufactured cannabis product that is sold, labeled, or represented as OCal shall be produced pursuant to the requirements of this chapter.

(b) No cannabis or nonmanufactured cannabis product shall be advertised or labeled OCal or similar terminology that leaves in doubt whether the product is being sold, labeled, or represented as certified pursuant to the requirements of this chapter.

(c) Cannabis operations are prohibited from selling, labeling, or referring to their products as organic, pursuant to section 26062.5 of the California Business and Professions Code.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code; Section 46027, Food and Agriculture Code.

Section 10104. Recordkeeping by Certified Operations.

(a) A certified operation shall maintain records concerning the production of cannabis and nonmanufactured cannabis products that are intended to be sold, labeled, or represented as OCal.

(b) Such records shall:

- (1) Fully disclose all activities and transactions of the certified operation in enough detail as to be readily understood and audited;
- (2) Be maintained for not less than five years beyond their creation; and

(3) Demonstrate compliance with the regulations in this chapter.

(c) The certified operation shall make such records available to authorized representatives of the department or the registered certifying agent for inspection and copying during standard business hours. For the purposes of this section, standard business hours are 8:00am – 5:00pm (Pacific Time), Monday through Friday, excluding holidays.

(d) A certified cultivation or distribution operation shall identify within the Track-and-Trace system, in a manner specified by the Department of Cannabis Control regulations, 4 CCR sections 15048, 15049, 15051, 16109, 16402, 16403, 16404, 16405, and 16406, cannabis or nonmanufactured cannabis products that are intended to be sold, labeled, or represented as OCal.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, 26062.5, and 26067, Business and Professions Code.

Section 10105. Allowed and Prohibited Substances and Methods in OCal Production.

(a) To be sold or labeled OCal, cannabis and nonmanufactured cannabis products shall be produced without the use of:

- (1) Synthetic substances and ingredients, except as provided in The National List of Allowed and Prohibited Substances 7 CFR section 205.601;
- (2) Nonsynthetic substances prohibited in The National List of Allowed and Prohibited Substances 7 CFR section 205.602;
- (3) Substances prohibited for use on cannabis as described in the Department of Cannabis Control regulations, 4 CCR section 15719;
- (4) Excluded methods;
- (5) Ionizing radiation, as described in Food and Drug Administration regulation, 21 CFR section 179.26; and
- (6) Sewage sludge.

(b) Certified operations shall only use fertilizing materials pursuant to Fertilizing Materials Registration requirements for Organic Input Materials, 3 CCR section 2320.3. (c) Agricultural inputs shall not be used in OCal production if the input utilizes or includes:

- (1) Synthetic substances and ingredients, except as provided in The National List of Allowed and Prohibited Substances 7 CFR section 205.601;
- (2) Nonsynthetic substances prohibited in The National List of Allowed and Prohibited Substances 7 CFR section 205.602;
- (3) Excluded methods;
- (4) Ionizing radiation, as described in Food and Drug Administration regulation, 21 CFR section 179.26; and

(5) Sewage sludge.

(d) If a production practice is not prohibited or otherwise restricted under this chapter, such practice shall be permitted if it complies with the requirements of this chapter.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

ARTICLE 3. OCal CULTIVATION AND DISTRIBUTION REQUIREMENTS

Section 10200. General.

- (a) An operation intending to sell, label, or represent cannabis or nonmanufactured cannabis products as “OCal,” shall comply with the applicable provisions of this chapter.
- (b) Production practices implemented in accordance with this chapter shall maintain or improve the natural resources of the operation, including soil, water, wetlands, woodlands, and wildlife, and respond to site-specific conditions by integrating cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity.
- (c) A certified operation shall meet or exceed all practice standards set forth in sections 10202 through 10209 of this chapter.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10201. OCal System Plans.

- (a) A cultivator or distributor intending to sell, label, or represent cannabis or nonmanufactured cannabis products as OCal shall develop an OCal system plan that is agreed to by the cultivator or distributor and the registered certifying agent.
- (b) An OCal system plan shall meet the requirements set forth in this chapter for OCal production.
- (c) A certified operation shall use the practice standards set forth in sections 10202 through 10209 of this article to define and implement required components of its OCal system plan. The OCal system plan shall include:
 - (1) A description of practices and procedures to be performed and maintained, including the frequency with which they will be performed;
 - (2) A list of each substance to be used as an OCal production input and material, indicating its composition, source, location(s) where it will be used, and documenting commercial availability, as applicable;

(A) Documentation of commercial availability of OCal seeds and planting stock is not required for the first 12 months of the program.

(3) A description of the monitoring practices and procedures to be performed and maintained, including the frequency with which they will be performed, to verify that the plan is effectively implemented;

(4) A description of the recordkeeping system implemented to comply with the requirements established in section 10104 of this chapter;

(5) A description of the management practices and physical barriers established to prevent commingling of OCal and non-OCal or non-organic products on a split operation and to prevent contact of OCal operations and products with prohibited substances;

(6) A description of practices implemented to maintain or improve the natural resources of the operation, including soil, water, wetlands, woodlands, and wildlife, and respond to site-specific conditions by integrating cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity. These practices may also be integrated into subdivisions (1) through (5) above; and

(7) Additional information deemed necessary by the registered certifying agent to evaluate compliance with this chapter.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10202. Land Requirements.

(a) Any field or farm parcel from which harvested cannabis is intended to be sold, labeled, or represented as "OCal" shall:

(1) Have been managed pursuant to sections 10203 through 10206 of this chapter;

(2) Have had no prohibited substances, pursuant to section 10105 of this chapter, applied to it for a period of three years immediately preceding harvest of cannabis; and

(3) Have on the operator's field or farm parcel distinct, defined boundaries and buffer zones sufficient in size or other features (e.g. windbreaks or a diversion ditch) to prevent the unintended application of a prohibited substance to the cannabis or contact with a prohibited substance applied to adjoining land that is not under organic management. Split operations shall use obviously visible onsite signage to identify OCal and non-OCal production areas.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10203. Soil Fertility and Crop Nutrient Management Practice Standard.

(a) A cultivator shall select and implement tillage and cultivation practices that maintain or improve the physical, chemical, and biological condition of soil and minimize soil erosion.

(b) A cultivator shall manage crop nutrients and soil fertility through rotations, cover crops, intercropping, alley cropping, hedgerows or the application of plant and animal materials.

(c) A cultivator shall manage plant and animal materials to maintain or improve soil organic matter content, biological diversity, nutrient cycling, and microbial activity in a manner that does not contribute to contamination of crops, soil, or water by plant nutrients, pathogenic organisms, heavy metals, or residues of prohibited substances. Animal and plant materials include:

(1) Raw animal manure, which shall be composted unless it is:

(A) Incorporated into the soil not less than 120 days prior to the harvest of cannabis whose consumable portion has direct contact with the soil surface or soil particles; or

(B) Incorporated into the soil not less than 90 days prior to the harvest of cannabis whose consumable portion does not have direct contact with the soil surface or soil particles.

(2) Composted plant and animal materials produced through a process that:

(A) Established an initial C:N ratio of between 25:1 and 40:1; and

(B) Maintained a temperature of between 131 °F and 170 °F for three days using an in-vessel or static aerated pile system; or

(C) Maintained a temperature of between 131 °F and 170 °F for 15 days using a windrow composting system, during which period, the materials shall be turned a minimum of five times.

(3) Uncomposted plant materials.

(4) Vermicompost.

(d) Pursuant to the following requirements, a cultivator may manage plant nutrients and soil fertility to maintain or improve soil organic matter content, biological diversity, nutrient cycling, and microbial activity in a manner that does not contribute to contamination of crops, soil, or water by plant nutrients, pathogenic organisms, heavy metals, or residues of prohibited substances by applying:

(1) A plant nutrient or soil amendment included on the National List of synthetic substances allowed for use in

organic crop production, pursuant to The National List of Allowed and Prohibited Substances 7 CFR section 205.601;

- (2) A mined substance of low solubility;
- (3) A mined substance of high solubility provided that the substance is used in compliance with the conditions established on the National List of nonsynthetic substances prohibited for use in organic crop production pursuant The National List of Allowed and Prohibited Substances 7 CFR section 205.602;
- (4) Ash obtained from the burning of a plant or animal material, except as prohibited in paragraph (e) of this section, provided that the material burned has not been treated or combined with a prohibited substance or the ash is not included on the National List of nonsynthetic substances prohibited for use in organic crop production, pursuant to The National List of Allowed and Prohibited Substances 7 CFR section 205.602; and
- (5) A plant or animal material that has been chemically altered by a manufacturing process provided that the material is included on The National List of Allowed and Prohibited Substances 7 CFR section 205.601.

(e) The cultivator shall not use:

- (1) Any fertilizer or composted plant and animal material that contains a synthetic substance not included on The National List of Allowed and Prohibited Substances 7 CFR section 205.601;
- (2) Sewage sludge in accordance with section 10105(a)(6) of this chapter; and
- (3) Burning as a means of disposal for crop residues produced on the operation except that burning may be used to suppress the spread of disease or to stimulate seed germination consistent with local and state laws and regulations.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10204. Seeds and Planting Stock Practice Standard.

(a) A cultivator shall use its own OCal grown cannabis seeds and planting stock or OCal seeds and planting stock from a nursery licensed by the department and certified pursuant to the requirements of this chapter except under the following conditions:

- (1) Non-OCal grown untreated seeds and planting stock may be used to produce OCal cannabis when equivalent OCal grown seeds and planting stock are not commercially available;
- (2) Non-OCal grown seeds and planting stock that have been treated with a substance allowed for use in organic crop production pursuant to the National List of Allowed and Prohibited Substances may be used to produce OCal

- cannabis when an equivalent OCal grown or untreated variety is not commercially available;
- (3) Non-OCal grown seeds and planting stock may be used to produce an OCal crop when a temporary variance has been granted in accordance with section 10210(d) of this chapter; and
- (4) Seeds and planting stock treated with prohibited substances may be used to produce OCal cannabis when the application of the materials is a requirement of federal or state phytosanitary regulations.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10205. Crop Rotation Practice Standard.

(a) A cultivator shall implement a crop rotation which may include but is not limited to sod, cover crops, green manure crops, and catch crops. As applicable to the operation, crops shall:

- (1) Maintain or improve soil organic matter content;
- (2) Provide for pest management;
- (3) Manage deficient or excess plant nutrients; and
- (4) Provide erosion control.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10206. Crop Pest, Weed, and Disease Management Practice Standard.

(a) A cultivator shall use management practices to prevent crop pests, weeds, and diseases, including but not limited to:

- (1) Crop rotation and soil and crop nutrient management practices, as provided for in section 10203 and section 10205 of this chapter;
- (2) Sanitation measures to remove disease vectors, weed seeds, and habitat for pest organisms; and
- (3) Cultural practices that enhance crop health, including selection of plant species and varieties with regard to suitability to site-specific conditions and resistance to prevalent pests, weeds, and diseases.

(b) Pest problems may be controlled through mechanical or physical methods, including but not limited to:

- (1) Augmentation or introduction of predators or parasites of the pest species;
- (2) Development of habitat for natural enemies of pests; and
- (3) Nonsynthetic controls such as lures, traps, and repellents.

(c) Weed problems may be controlled through:

- (1) Mowing;
- (2) Livestock grazing;

- (3) Hand weeding and mechanical cultivation;
 - (4) Flame, heat, or electrical means; and
 - (5) Plastic or other synthetic mulches, provided they are removed from the field at the end of the growing or harvest season.
- (d) Disease problems may be controlled through:
- (1) Management practices which suppress the spread of disease organisms; or
 - (2) Application of nonsynthetic biological, botanical, or mineral inputs.
- (e) A biological or botanical substance or a substance included on the National List of synthetic substances allowed for use in organic crop production, pursuant to The National List of Allowed and Prohibited Substances 7 CFR section 205.601, may be applied to prevent, suppress, or control pests, weeds, or diseases when the practices provided for in paragraphs (a) through (d) of this section are insufficient to prevent or control crop pests, weeds, and diseases. Conditions for using the substance must be documented in the OCal system plan.
- (f) A cultivator shall not use lumber treated with arsenate or other prohibited materials for new installations or replacement purposes if the treated lumber comes into contact with soil or cannabis intended to be sold, labeled or represented as OCal.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10207. OCal Handling Requirements.

- (a) A cultivator or processor may process by drying, curing, grading, trimming, rolling, packaging, re-packaging, labeling, or re-labeling cannabis or nonmanufactured cannabis products intended to be sold, labeled, or represented as OCal.
- (b) A distributor may process by packaging, re-packaging, labeling, re-labeling, or rolling cannabis or nonmanufactured cannabis products intended to be sold, labeled, or represented as OCal.
- (c) A cultivator or distributor shall not use substances or methods prohibited in paragraph (a) of section 10105 of this chapter in or on cannabis or nonmanufactured cannabis products intended to be sold, labeled, or represented as OCal.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10208. Facility Pest Management Practice Standard.

- (a) Pest prevention practices at a facility that produces OCal products may include but are not limited to:

- (1) Removal of pest habitat, food sources, and breeding areas;
 - (2) Prevention of access to facilities in which cannabis products are handled; and
 - (3) Management of environmental factors, such as temperature, light, humidity, atmosphere, and air circulation, to prevent pest reproduction.
- (b) Pests may be controlled through:
- (1) Mechanical or physical controls including but not limited to traps, light, or sound; and
 - (2) Lures and repellents using nonsynthetic or synthetic substances consistent with The National List of Allowed and Prohibited Substances 7 CFR section 205.601 through 205.602.
- (c) If the practices provided for in paragraphs (a) and (b) of this section are not effective to prevent or control pests, a nonsynthetic or synthetic substance consistent with The National List of Allowed and Prohibited Substances 7 CFR sections 205.601 through 205.602 may be applied.
- (d) If the practices provided for in paragraphs (a), (b), and (c) of this section are not effective to prevent or control facility pests, a synthetic substance not included on The National List of Allowed and Prohibited Substances 7 CFR section 205.601, may be applied, provided that the operation and registered certifying agent agree on the substance, method of application, and measures to be taken to prevent contact of nonmanufactured OCal cannabis products with the substance used.
- (e) The cultivator or distributor of an OCal operation who applies a nonsynthetic or synthetic substance to prevent or control pests shall update the operation's OCal system plan to reflect the use of such substances and methods of application. The updated OCal system plan shall include a list of all measures taken to prevent contact of nonmanufactured OCal cannabis products with the substance used.
- (f) Notwithstanding the practices provided for in paragraphs (a), (b), (c), and (d) of this section, an operation may use substances to prevent or control pests as required by federal, state, or local laws and regulations provided that measures are taken to prevent contact of nonmanufactured OCal cannabis products with the substance used.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10209. Commingling and Contact with Prohibited Substance Prevention Practice Standard.

- (a) A cultivator or distributor shall implement measures necessary to prevent the commingling of OCal and non-OCal cannabis and nonmanufactured cannabis products and

protect OCal cannabis and nonmanufactured OCal cannabis products from contact with prohibited substances.

(b) The following are prohibited for use in the handling of any cannabis or nonmanufactured cannabis product to be sold, labeled, or represented as OCal:

- (1) Packaging materials, storage containers, or bins that contain a synthetic fungicide, preservative, or fumigant;
- (2) Use or reuse of any bag or container that has been in contact with any substance in such a manner as to compromise the integrity of OCal cannabis and nonmanufactured cannabis products placed in those containers, unless such reusable bag or container has been thoroughly cleaned and poses no risk of contact of OCal cannabis and nonmanufactured cannabis products with the substance used.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10210. Temporary Variances.

(a) The department may establish temporary variances from the requirements in sections 10203 through 10208 for:

- (1) A disaster for which the Governor has proclaimed a state of emergency in accordance with Government Code sections 8558 and 8625, or for which a local jurisdiction has proclaimed an emergency or disaster in accordance with Government Code sections 8558 and 8630. For the purposes of this chapter, "disaster" means the condition of extreme peril to the safety of persons and property within the state or a county, city and county, or city caused by conditions such as, fire, flood, storm, epidemic, drought, sudden and severe energy shortage, plant or animal infestation or disease, an earthquake, or similar public calamity; and
- (2) Conduct of research or trials of techniques, varieties, or ingredients used in OCal cultivation.

(b) The registered certifying agent shall submit a written request for temporary variance to the department accompanied by a copy of the emergency proclamation.

(c) The department will provide written notification to registered certifying agents upon establishing a temporary variance that is applicable to the registered certifying agent's certified operations. The temporary variance shall specify the period of time it shall remain in effect, subject to extension as the department deems necessary.

(d) The registered certifying agent, when notified that the department has established a temporary variance, shall notify each cultivation or distribution operation it certifies to which the temporary variance applies.

(e) Temporary variances will not be granted for any practice, material, or procedure prohibited under section 10105 of this chapter.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

ARTICLE 4. LABELS, LABELING, AND MARKET INFORMATION

Section 10300. Cannabis and Nonmanufactured Cannabis Products Labeled OCal.

(a) Cannabis or a nonmanufactured cannabis product to be sold, labeled, or represented as OCal must contain 100 percent OCal produced cannabis. The OCal cannabis or nonmanufactured cannabis product shall be labeled pursuant to section 10302 of this chapter.

(b) The ingredient statement of nonmanufactured OCal cannabis products shall not include ingredients:

- (1) produced using excluded methods, pursuant to section 10105(a) of this chapter;
- (2) produced using ionizing radiation, pursuant to section 10105(a)(5) of this chapter; and
- (3) processed using sewage sludge, pursuant to section 10105(a)(6) of this chapter.

(c) OCal cannabis or cannabis product packages may display, on the principal display panel, information panel, any other panel of the package and on any labeling or marketing information concerning the product, one or more of the following:

- (1) The term OCal to modify the name of the product;
- (2) The OCal seal; or
- (3) The seal, logo, or other identifying mark of the registered certifying agent that certified the operation that produced the finished product, provided that such seals or marks are not individually displayed more prominently than the OCal seal.

d) The registered certifying agent of the cultivator or distributor that handled the finished product must be identified on the information panel, above the statement, "Certified OCal by * * *," or similar phrase. The label may also display the business address, business website address, or telephone number of the identified registered certifying agent.

(e) Nonmanufactured OCal cannabis must be identified in the ingredient statement with the word, "OCal," or with an asterisk or other reference mark which is defined below the ingredient statement to indicate that the cannabis has been OCal produced.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10301. Storage and Transport of Nonretail Containers Used for Nonmanufactured OCal Cannabis Products.

Nonretail containers used to store or transport nonmanufactured OCal cannabis products shall display on the outside of the container obviously visible OCal identifiers.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10302. OCal Seal.

(a) The OCal seal described in paragraph (b) of this section may be used only for cannabis products described in section 10300 of this chapter.

(b) The OCal seal must replicate the form and design of the example in figure 1 and must be printed legibly and conspicuously:

- (1) On a white background and with the term “OCal” (“O” in green with white cannabis flower inside “O” and “Cal” in orange overlapping the “O”).
- (2) On a white or transparent background with the term “OCal” (“O” in dark gray with white cannabis flower inside “O” and “Cal” in black overlapping the “O”).

Figure 1



Figure 2



Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10303. Registered Certifying Agent Seal, Logo, or Other Identifying Mark.

(a) A private entity or local jurisdiction registered as a certifying agent under this chapter may establish a seal, logo, or other identifying mark to be used by cultivation operations certified by the registered certifying agent to indicate affiliation with the registered certifying agent provided that the registered certifying agent:

- (1) Does not require as a condition of certification use of its seal, logo, or other identifying mark on any product sold, labeled, or represented as OCal; and
- (2) Does not require as a condition of use of its identifying mark compliance with any cultivation or distribution practices other than those provided for in this chapter.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

ARTICLE 5. ACCREDITATION AND REGISTRATION OF CERTIFYING AGENTS

Section 10400. Areas and Duration of Accreditation and Registration.

(a) The department shall accredit or register a qualified applicant to certify cannabis operations under the OCal Program.

(b) Accreditation shall be for a period of five years from the date of approval of accreditation pursuant to section 10405 of this chapter.

(c) Registration shall be until January 1 of the following year pursuant to section 10409 of this chapter.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10401. Requirements for Accreditation.

(a) A private entity or local jurisdiction accredited as a certifying agent under this section shall comply with each of the items listed below.

- (1) Have expertise in organic production techniques to fully comply with and implement the terms and conditions of the certification program established under the regulations in this chapter.
- (2) Demonstrate the ability to fully comply with the requirements for accreditation set forth in this chapter.
- (3) Carry out all applicable provisions of the regulations in this chapter, including the provisions of sections 10500 through 10506 and 10710 of this chapter.
- (4) Have enough trained and knowledgeable personnel, including inspectors and certification review personnel, to competently and efficiently comply with and implement the regulations of this chapter.
- (5) Ensure that its responsibly connected persons, employees, and contractors with inspection, analysis, and decision-making responsibilities have ample expertise in organic production techniques to successfully perform the duties assigned.
- (6) Conduct an annual performance evaluation of all persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification, make recommendations concerning certification, or make certification decisions and implement measures to correct any deficiencies in certification services.
- (7) Conduct an annual internal program review of the certification activities executed by certifying agent staff.

The internal program review shall be performed by the certifying agent's staff, an outside auditor, or a consultant who has the expertise to conduct such reviews and implement measures to correct any non-compliances with the regulations in this chapter.

(8) Provide enough information to persons seeking certification to enable them to comply with the regulations in this chapter.

(9) Maintain records according to the following schedule:

(A) Records obtained from applicants for certification and certified operations shall be maintained for not less than five years beyond their receipt;

(B) Records created by the certifying agent regarding applicants for certification and certified operations shall be maintained for not less than 10 years beyond their creation; and

(C) Records created or received by a certifying agent pursuant to the accreditation requirements of this chapter, excluding any records covered by section 10401(a)(9)(B), shall be maintained for not less than five years beyond their creation or receipt.

(10) Make all records in paragraph (9), above, available for inspection and copying during standard business hours or mail to the physical or email address listed on the OCal Program website within 10 business days of a request by the department. For the purposes of this section, standard business hours are 8:00am – 5:00pm (Pacific Time), Monday through Friday, excluding holidays.

(11) Maintain strict confidentiality with respect to its clients under the OCal Program and not disclose to third parties, except for the department, business-related information concerning any client obtained while implementing the regulations of this chapter, except as provided for in section 10402(c)(5) of this chapter.

(12) Prevent conflicts of interest by:

(A) Not certifying an operation if a certifying agent or a responsibly connected party of such certifying agent has or previously held a commercial interest in the operation, including an immediate family interest or the delivery of consulting services, within the 12-month period prior to the application for certification;

(B) Excluding any person, including contractors, with conflicts of interest from work, discussions, and decisions in all stages of the certification process and the monitoring of certified operations for all entities in which such person has or previously held a commercial interest, including an immediate family interest or the delivery of consulting services, within the 12-month period prior to the application for certification;

(C) Not permitting any employee, inspector, contractor, or other personnel to accept payment, gifts, or favors of any kind, other than prescribed fees,

from any business inspected, except that a certifying agent that is a not-for-profit organization with an Internal Revenue Code tax exemption, may accept voluntary labor from certified operations;

(D) Not giving advice or providing consultancy services, to certification applicants or certified operations, for overcoming identified barriers to certification;

(E) Requiring all persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification, make recommendations concerning certification, or make certification decisions, and all parties responsibly connected to the certifying agent, to complete an annual conflict-of-interest disclosure report;

(F) Ensuring that the decision to certify an operation is made by a person different from those who conducted the review of documents and on-site inspection;

(G) Reconsidering a certified operation's application for certification and, if necessary, perform a new on-site inspection when it is determined, within 12 months of certifying the operation, that any person participating in the certification process and covered under section 10401(a)(12)(B) of this chapter has or had a conflict of interest involving the applicant. All costs associated with a reconsideration of application, including onsite inspection costs, shall be borne by the certifying agent; and

(H) Referring a certified operation to a different registered certifying agent for recertification and reimburse the operation for the cost of the recertification when it is determined that any person covered under section 10401(a)(12)(A) of this chapter at the time of certification of the applicant had a conflict of interest involving the applicant.

(13) Accept the certification decisions made by another certifying agent registered by the department to certify under the OCal Program pursuant to section 10409 of this chapter.

(14) Refrain from making false or misleading claims about its accreditation or registration status, the department's accreditation or registration program for certifying agents, or the nature or qualities of nonmanufactured OCal cannabis products.

(15) Charge applicants for certification and certified operations only those certification fees and charges that are on file with the department pursuant to section 10402(a)(8) of this chapter.

(16) Pay and submit accreditation fee, payment, or fine to the department pursuant to sections 10600, 10603, and 10701(e) of this chapter.

(17) Provide the inspector, prior to each annual on-site certification or re-certification inspection, with previous on-site inspection reports and notify the inspector of its decision regarding certification of an operation site inspected by the inspector and of any requirements for the correction of minor non-compliances.

(18) Accept all applications within its accredited certification type(s) and certify all qualified applicants, to the extent of its administrative capacity to do so, without regard to size or membership in any association or group.

(19) Comply with, implement, and carry out all terms and conditions pursuant to this chapter.

(b) The department may initiate suspension or revocation of an accreditation if the registered certifying agent fails to meet, conduct, or maintain accreditation requirements pursuant to this chapter.

(c) The accredited certifying agent may request amendment to its accredited certification types at any time. The application for amendment shall be sent to the department and shall contain information applicable to the requested change in accreditation, a complete and accurate update of the most recent information submitted pursuant to sections 10402 and 10407 of this chapter, and the applicable fee, payment, or fine pursuant to sections 10600, 10601, and 10701(e) of this chapter.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10402. Application for Accreditation.

An application for certifying agent accreditation shall be submitted by mail to the physical or email address listed on the OCal Program website, or such other address as required by the department. Each application shall include the following, if applicable:

(a) Business information:

(1) Legal name;

(2) Employer Identification or Taxpayer Identification Number;

(3) Primary office physical address, mailing address, web address, and name of the person(s) responsible for the applicant's day-to-day operations and their contact number(s) and email address;

(4) Subsidiary office(s) physical address(es), mailing address(es), phone number(s), and a contact name(s) and number(s) for each subsidiary office;

(5) Business entity structure, including, but not limited to, a corporation, general partnership, joint venture, limited liability company, limited liability partnership, sovereign entity, sole proprietorship, not for profit corporation, and/or trust;

(6) For a local jurisdiction, a copy of the official's authority to conduct certification activities under this chapter;

(7) For a private entity, copies of all formation documents, which may include, but are not limited to, articles of incorporation, operating agreements, partnership agreements, and/or fictitious business name statements.

The applicant shall also provide all documents filed with the California Secretary of State, which may include, but are not limited to, articles of incorporation, certificates of stock, articles of organization, certificates of limited partnership, and/or statements of partnership authority. If the applicant is a foreign corporation, the applicant shall provide a certificate of qualification issued by the California Secretary of State; and

(8) Each area of operation for which accreditation is requested and the estimated number of each type of operation anticipated to be certified annually by the applicant along with a copy of the applicant's schedule of fees for all services to be provided under these regulations by the applicant.

(b) Personnel information:

(1) Copy of the applicant's policies and procedures for training, evaluating, and supervising personnel;

(2) Name and position description of all personnel to be employed within the cannabis certification operation, including administrative staff, certification inspectors, members of any certification review and evaluation committees, contractors, and all parties responsibly connected to the applicant;

(3) Description of qualifications, including experience, training, and education in agriculture, organic production, and organic handling for each inspector to be used by the applicant and each person to be designated by the applicant to review or evaluate applications for certification; and

(4) Description of training the applicant has provided or intends to provide to personnel to ensure that they comply with and implement the requirements of this chapter.

(c) Administrative policies and procedures:

(1) Copy of the procedures to be used to evaluate certification applicants, make certification decisions, and issue certificates.

(2) Copy of the procedures to be used to review and investigate certified operation compliance with this chapter and to report any violations of this chapter to the department.

(3) Copy of the procedures to be used for complying with the recordkeeping requirements set forth in section 10401(a)(9) of this chapter.

(4) Copy of the procedures to be used for maintaining the confidentiality of any business-related information as set forth in section 10401(a)(11) of this chapter.

(5) Copy of the procedures to be used, including any fees to be assessed, for making the following information available to any member of the public upon request:

(A) Copies of certification certificates issued during the current and three preceding calendar years;

(B) A list of operations certified during the current and three preceding calendar years as well as certification status (certified, surrendered, suspended, revoked), city or cities in which the operation is located, products certified by the operation, and commercial cannabis license number(s).

(C) The results of laboratory analyses for residues of pesticides and other prohibited substances conducted to assist with verifying certified operation compliance during the current year and three preceding calendar years; and (D) Other business information as permitted in writing by the certified operation.

(6) Copy of the procedures to be used for sampling and residue testing pursuant to section 10711 of this chapter.

(d) Conflicts of interest:

(1) Copy of the procedures intended to be implemented to prevent the occurrence of conflicts of interest, as described in section 10401(a)(12) of this chapter; and

(2) A conflict-of-interest disclosure report for all persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification, make certification recommendations, make certification decisions, and all parties responsibly connected to the applicant. The conflict-of-interest disclosure report shall identify, for each of these persons, any cannabis-related business interests, including business interests of immediate family members, that may cause a conflict of interest.

(e) Current private entity or local jurisdiction certification activities:

(1) Number of operations certified (cannabis or other crop) during the current and previous three years;

(2) For each accreditation type requested, an OCal system plan (or equivalent), inspection report, and any other relevant documentation for three or more operations (cannabis or other crop) certified by the certifying agent during the current or previous year; and

(3) If the applicant underwent an accreditation process during the current or previous year, the name of the accrediting body and a copy of the written evaluation.

(f) Attestation to the following statement: "Under penalty of perjury, I hereby declare that the information contained within and submitted with the application is complete, true, and accurate. I understand that a misrepresentation of fact is

cause for denial of the application, or revocation or suspension of the accreditation issued."

(g) Any other information the department requires to assist in the evaluation of the application for accreditation, which may include, but be not limited to, additional inspection reports, an external program review, and evidence that an applicant without certification experience can comply with the regulations.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10403. Review of Accreditation Application.

(a) The department shall notify the applicant in writing:

(1) That the application is complete and accepted for further review.

(2) That the application is incomplete, the reasons for incompleteness, and the date by which any missing information, fee, payment or fine (10601, 10603 or 10701(e)) is due.

(A) The department shall receive the missing information, fee, payment, or fine from the applicant no later than 30 calendar days from the date of notification from the department. The application will be deemed abandoned if the missing information, fee, payment, or fines is not provided within the specified timeframe. (B) If the application is deemed abandoned, the applicant may reapply and pay a new application fee.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10404. Withdrawal of Accreditation Application.

(a) The applicant may withdraw an application at any time prior to the department's issuance of accreditation or denial of accreditation.

(b) Requests to withdraw an application shall be submitted to the department in writing, dated, and signed by the applicant.

(c) The department will not refund application fees for a withdrawn application. (d) The applicant may reapply and pay a new application fee at any time following the withdrawal of an application.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10405. Granting Accreditation and Registration.

(a) If the department determines the accreditation applicant meets the requirements for accreditation, pursuant to section 10401 of this chapter, the department shall notify the accreditation applicant in writing of the determination and bill the amount due. Payment shall be due 10 calendar days past the date the notice was issued.

(b) Accreditation shall be granted and the accredited certifying agent shall be registered when the required payment has been submitted pursuant to section 10600 of this chapter.

(c) The department shall notify the accredited certifying agent of the granting of accreditation and registration in writing. The notice shall state the effective and expiration dates of accreditation, the type(s) of certification for which the accreditation is granted, and the registration effective and expiration dates.

(d) The accredited certifying agent shall be registered pursuant to section 10409(e) of this chapter.

(e) The accreditation shall be valid for a period of five years from the effective date of accreditation. The department shall grant the accredited certifying agent a grace period between the accreditation date and January 1 of the following year so that accreditation and registration renewals may be applied for and completed concurrently.

Accreditation may be renewed pursuant to section 10407 of this chapter unless the accredited certifying agent voluntarily ceases its certification activities or the accreditation is suspended or revoked pursuant to the requirements of section 10703 of this chapter.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10406. Denial of Accreditation.

(a) If the department determines the accreditation applicant does not meet the requirements for accreditation pursuant to section 10401 of this chapter, the department shall provide written notification of accreditation denial to the applicant. Such notification shall include the reasons for the department's assessment and appeal procedures.

(b) The applicant who receives notification of accreditation denial may appeal the denial of accreditation pursuant to section 10706 of this chapter within 30 days after the date of the notice of accreditation denial.

(c) The applicant who receives notification of accreditation denial may apply for accreditation again at any time and pay a new application fee.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10407. Accreditation Renewal.

An accreditation renewal application shall be submitted by mail to the physical or email address listed on the OCal Program website, or such other address as required by the department.

(a) The accredited certifying agent shall renew its accreditation every five years concurrently with its annual registration renewal pursuant to sections 10405(e) and 10410 of this chapter, except for the following:

(1) The accredited certifying agent renewing both accreditation and registration shall receive a notice of expiration of registration and accreditation approximately six months prior to the registration expiration date;

(2) The dual accreditation and registration renewal package shall be submitted no more than four months and no less than three months prior to the registration expiration date; and

(3) The department shall conduct a site evaluation within three months of the registration expiration date.

(b) If the department determines the accredited certifying agent meets the requirements for accreditation, the accredited certifying agent's accreditation and registration shall be renewed pursuant to section 10405 of this chapter except that the notice will state any terms and conditions for continued accreditation, including minor non-compliances and the date by which such non-compliances shall be satisfied by the accredited certifying agent.

(c) The department shall issue a notice of proposed suspension or revocation of accreditation to the accredited certifying agent that does not satisfy all terms and conditions, including non-compliances, by the date specified on the notice of accreditation renewal.

(d) The department shall issue a written notice of denial of accreditation renewal pursuant to section 10406 of this chapter and the certifying agent shall be disqualified from registration pursuant to section 10410 of this chapter if it finds the accredited certifying agent unable to comply with the regulations of this chapter. The notice will specify the date the accreditation and registration shall expire and provide accreditation denial appeal instructions pursuant to section 10707 of this chapter.

(e) The accredited certifying agent who receives a notice of denial of accreditation renewal shall transfer to the department or make available all records or copies of records concerning the accredited certifying agent's certification activities, pursuant to section 10408(a)(4).

(f) The accredited certifying agent who no longer wishes to maintain its department accreditation must surrender its

accreditation by submitting written notification to the department and shall transfer to the department or make available all records or copies of records concerning the accredited certifying agent's certification activities.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10408. Requirements for Registration.

(a) A private entity or local jurisdiction registered as an accredited certifying agent under this chapter shall:

- (1) Be accredited by the department as set forth in section 10401 of this chapter or possess current and valid accreditation by the National Organic Program, pursuant to 7 CFR part 205. The scope of accreditation shall be comparable to the scope of registration.
- (2) Comply with, implement, and carry out all terms and conditions pursuant to this chapter;
- (3) Annually renew registration and report activities as set forth in section 10410 of this chapter unless the accredited certifying agent voluntarily ceases its certification activities, its accreditation is suspended or revoked pursuant to 7 CFR part 205 or section 10705 of this chapter, as applicable, or its registration is suspended or revoked pursuant to section 10705 of this chapter;
- (4) Transfer to the department or make available all records or copies of records concerning the registered certifying agent's certification activities if the registered certifying agent no longer wishes to maintain its registration, dissolves, or loses its registration;
- (5) Pay and submit the registration fee and any payments or fines owed to the department in accordance with sections 10601, 10603 and 10701(e) of this chapter; and
- (6) Demonstrate the ability to fully comply with the requirements for registration set forth in this section.

(b) The registered certifying agent shall notify the department in writing of receipt of payment and amount paid for certification or recertification of the operation. The notification shall also contain the operation's business name, commercial cannabis license number(s), license type(s), mailing address, physical address, telephone number, number of square feet certified, and products produced.

- (1) Upon receipt of notification, the department will issue a certification number.
- (2) The certification number shall be valid from the date the notification was received by the department.

(c) The department may initiate suspension or revocation of a registration if the certifying agent fails to meet, conduct, or maintain registration requirements pursuant to this chapter.

(d) The accredited certifying agent's registration shall expire unless renewed prior to the scheduled expiration date.

Accredited certifying agents with an expired registration shall not perform certification activities under the regulations of this chapter.

Section 10409. Registration.

Registration information for an accredited certifying agent shall be submitted by mail to the physical or email address listed on the OCal Program website, or such other address as required by the department.

- (a) Each application shall include the following, if applicable:
- (1) Legal business name;
 - (2) Registration application fee pursuant to section 10601 of this chapter;
 - (3) A copy of the accredited certifying agent's current and valid accreditation certificate issued by the National Organic Program, if applicable;
 - (4) Employer Identification or Taxpayer Identification Number;
 - (5) Primary office physical address, mailing address, web address, and name of the person(s) responsible for the applicant's day-to-day operations and their contact number(s) and email address.
 - (6) Subsidiary office(s) physical address(es), mailing address(es), phone number(s), and a contact name(s) and number(s) for each subsidiary office;
 - (7) Business entity structure, including, but not limited to, a corporation, general partnership, joint venture, limited liability company, limited liability partnership, sovereign entity, sole proprietorship, not for profit corporation, and/or trust);
 - (8) The accredited areas of operation for which registration is requested and the estimated number of each type of operation anticipated to be certified annually by the accredited certifying agent;
 - (9) A schedule of fees for all services to be provided by the accredited certifying agent under these regulations;
 - (10) A conflict-of-interest disclosure report pursuant to section 10402(d)(2) of this chapter or 7 CFR section 205.504(c)(2), as applicable;
 - (11) The most recent annual internal program review of the accredited certifying agent's certification activities conducted by accredited certifying agent staff, an outside auditor, or a consultant, accompanied by a summary of findings which documents the results of the report, pursuant to section 10401(a)(7) of this chapter or 7 CFR section 205.501(a)(7), as applicable, and a description of adjustments to the accredited certifying agent's operation and procedures implemented or to be implemented in response to the program review; and
 - (12) Attestation to the following statement: "Under penalty of perjury, I hereby declare that the information contained within and submitted with the application is

complete, true, and accurate. I understand that a misrepresentation of fact is cause for denial of the application, or revocation or suspension of the accreditation issued.”

- (b) The accredited certifying agent shall receive written notification of disqualification if the registration is disqualified due to missing information or ineligibility.
- (c) The accredited certifying agent shall receive written notification of registration that includes the effective and expiration dates of the registration when:
 - (1) The accredited certifying agent has submitted the information pursuant to this section; and
 - (2) The accredited certifying agent has paid the required fee or fines pursuant to sections 10601, 10603 and 10701(e) of this chapter.
- (d) Registration is valid through January 1 of the following year and may be renewed pursuant to section 10410 of this chapter unless the certifying agent voluntarily ceases its certification activities or registration is suspended or revoked pursuant to section 10705 of this chapter.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10410. Registration Renewal and Reporting.

- (a) The registered certifying agent’s registration renewal shall be due by January 1 of each year and submitted by mail to the physical or email address listed on the OCal Program website, or such other address as required by the department.
- (b) The department will send the registered certifying agent a notice of pending expiration of registration approximately ninety 90 calendar days prior to the scheduled date of expiration. The notice will include the registration number, the date of expiration, and any outstanding fines. Fines shall be paid prior to consideration for renewal, pursuant to section 10701(e)(4) of this chapter.
- (c) Failure to receive a notice of pending registration expiration does not relieve the registered certifying agent of the obligation to renew registration as required.
- (d) Registration renewal shall be submitted prior to registration expiration and include the following:
 - (1) The legal name of the registered certifying agent.
 - (2) The registration number and expiration date.
 - (3) A complete and accurate update of information submitted pursuant to section 10409 of this chapter, or, if applying for concurrent accreditation and registration renewal, a complete and accurate update of information submitted pursuant to section 10402 (a) through (d) of this chapter.

- (4) A renewal application fee pursuant to section 10601 of this chapter.
- (5) Full payment of any outstanding fees, payments, or fines pursuant to sections 10601, 10603 and 10701(e) of this chapter.
- (6) A list of each cannabis operation granted certification during the previous year, which includes the business name, commercial cannabis license number(s), license type(s), mailing address, physical address, county, telephone number, number of square feet certified, and products.
- (7) A copy of the inspection report for each cannabis operation granted certification during the previous year.
- (8) Certificates of Analysis (COA) for no less than 5 percent of the registered certifying agent’s certified operations tested in the previous year pursuant to section 10711 of this chapter.
- (9) Any other information the department requires to assist in evaluating the application, including, but not limited to, OCal system plans, a notice of violation issued to an operation, and results of an NOP audit that took place during the previous year, when applicable.
- (e) Registration renewals submitted before the expiration date printed on the notification of pending expiration will not expire prior to a renewal decision by the department.
- (f) If a renewal is not submitted prior to the expiration date printed on the notification of pending expiration, the registered certifying agent may submit a registration renewal up to 30 calendar days after the expiration date printed on the notification of pending expiration. Registered certifying agents with an expired registration shall not perform certification activities under this chapter.
 - (1) A late renewal will be subject to a fee of 50 percent of the flat renewal fee to be paid in addition to the required renewal fee.
- (g) The registered certifying agent that does not submit a complete registration renewal to the department within 30 calendar days after the expiration date printed on the notification of pending expiration shall forfeit its eligibility for renewal and may register pursuant to section 10409 of this chapter.
- (h) The department shall notify the registered certifying agent in writing if the renewal is incomplete and the reason(s) for the incompleteness.
 - (1) The department shall receive any missing information, fee, payment, or fine, pursuant to sections 10403, 10601, 10603 and 10701(e) of this chapter, from the applicant no more than 15 calendar days after the date of the notification.
 - (2) The registered certifying agent that fails to provide the missing information, fees, payments, or fines, pursuant to sections 10403, 10601, 10603 and 10701(e) of this

chapter, within the time allotted shall forfeit its eligibility for renewal and may re-register pursuant to section 10409 of this chapter.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10411. Registration Renewal Acceptance.

(a) The registered certifying agent shall receive written notice of renewal acceptance, which includes the registration number and the effective and expiration dates of the renewal when:

- (1) All required information has been submitted pursuant to section 10410 of this chapter; and
- (2) Required fee(s) or fine(s) have been paid pursuant to sections 10601, 10603, and 10701(e) of this chapter.

(b) A registration renewal will be valid for a period of one year and may be renewed as provided in section 10410 of this chapter unless the registered certifying agent voluntarily ceases its certification activities or registration is suspended or revoked pursuant to section 10705 of this chapter.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10412. Site Evaluations for Accredited and Registered Certifying Agents.

(a) Site evaluations shall be conducted for the purpose of examining the certifying agent's operations and evaluating its compliance with the regulations in this chapter. Site evaluations shall include an on-site review of the registered certifying agent's certification procedures, decisions, facilities, administrative and management systems, and operations certified by the registered certifying agent. Site evaluations shall be conducted by a representative of the department.

(b) One or more site evaluations may be conducted at any time during the accreditation or registration periods to determine registered certifying agent's compliance with this chapter.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

ARTICLE 6. CERTIFICATION OF OPERATIONS

Section 10500. General Requirements for Certification.

A person seeking to receive or maintain OCal certification under the regulations in this chapter shall:

(a) Have an active and valid state commercial cannabis license;

(b) Comply with all applicable requirements of this chapter;

(c) Complete, implement, and update annually an OCal system plan that is submitted to the registered certifying agent pursuant to section 10201 of this chapter;

(d) Permit on-site inspections by authorized representatives of the department and the registered certifying agent with complete access to the production operation, including noncertified production areas, structures, and offices pursuant to section 10503 of this chapter;

(e) Maintain all records applicable to the certified operation for not less than five years beyond their creation and allow authorized representatives of the department and the registered certifying agent access to such records during standard business hours for review and copying to determine compliance with this chapter pursuant to section 10104 of this chapter. For the purposes of this section, standard business hours are 8:00am – 5:00pm (Pacific Time), Monday through Friday, excluding holidays.

(f) Submit the applicable fees charged by the registered certifying agent; and

(g) Immediately notify the registered certifying agent concerning any:

- (1) Application, including drift, of a prohibited substance to any product, field, production unit, site, or facility that is certified under the department;
- (2) Change in a certified operation or any portion of a certified operation that may affect certified operations compliance with this chapter; and
- (3) Change in commercial cannabis license status that would make an operation ineligible for certification.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10501. Application for Certification.

(a) A person seeking certification of an operation under this chapter shall submit an application for certification to the registered certifying agent. The application shall include the following information:

- (1) An OCal system plan, as required in section 10201 of this chapter;
- (2) The name, business name, and business telephone number of the individual completing the application,
- (3) The name, business address, and business telephone number of the commercial cannabis licensee;
- (4) The name, address, email address, and telephone number of the commercial cannabis licensee;
- (5) A list of all valid commercial cannabis license types the commercial cannabis licensee holds and the associated license numbers from the licensing authority;

- (6) The name(s) of any OCal registered certifying agent(s) to which application has previously been made; the year(s) of application; the outcome of the application(s) submission, including, when available, a copy of any notification of non-compliance or denial of certification issued to the applicant for certification; and a description of the actions taken by the applicant to correct the non-compliances noted in the notification of non-compliance, including evidence of such correction;
- (7) A statement of consent allowing the department to obtain all information regarding OCal certification from any certifying agent registered by the department to certify under the OCal program; and
- (8) Other information deemed necessary by the registered certifying agent to determine compliance with this chapter, including, but not limited to, additional information regarding the origin of inputs, amendments to the OSP, and information regarding substances used on adjacent land.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10502. Review of Certification Application.

- (a) Upon acceptance of an application for certification, the registered certifying agent shall:
 - (1) Review the application to ensure completeness pursuant to section 10501 of this chapter;
 - (2) Determine by a review of the application materials whether the applicant can comply with the applicable requirements of this chapter;
 - (3) Verify the applicant who previously applied to another registered certifying agent and received a notification of non-compliance or denial of certification, pursuant to section 10505 of this chapter, has submitted documentation to support the correction of any non-compliances identified in the notification of non-compliance or denial of certification, as required in section 10505(e) of this chapter; and
 - (4) Schedule an on-site inspection of the operation to determine whether the applicant qualifies for certification if the review of application materials reveals the operation may be in compliance with the applicable requirements of this chapter.
- (b) The registered certifying agent shall:
 - (1) Review the application materials received and communicate its findings to the applicant;
 - (2) Provide the applicant with a copy of the on-site inspection report for any on-site inspection performed; and

- (3) Provide the applicant with a copy of the test results for any samples taken by an inspector.
- (c) The applicant may withdraw its application at any time. The applicant that withdraws its application shall be liable for the costs of services provided up to the time of withdrawal of its application. An applicant that voluntarily withdraws its re-certification application prior to the issuance of a notice of non-compliance will not be issued a notice of non-compliance. Similarly, an applicant that voluntarily withdraws its application prior to the issuance of a notice of certification denial will not be issued a notice of certification denial.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10503. On-site Inspections.

- (a) On-site inspections.
 - (1) The registered certifying agent shall conduct an initial on-site inspection of each operation. An on-site inspection shall be conducted annually thereafter for the purpose of determining whether the certification of the operation should continue. Initial and annual on-site inspections shall include each of the operation’s units, facilities, or sites intended for the production of OCal cannabis.
 - (2) (A) The registered certifying agent may conduct additional on-site inspections of applicants for certification and certified operations to determine compliance with this chapter.
 - (B) The department may require additional inspections be performed by the registered certifying agent for the purpose of determining compliance with this chapter.
 - (C) Additional inspections may be announced or unannounced at the discretion of the registered certifying agent or as required by the department.
 - (D) The registered certifying agent shall follow-up on any deficiencies found, which may include a subsequent inspection, to ensure compliance with this chapter.
- (b) Scheduling.
 - (1) Following a review of the certification application pursuant to this section, the initial on-site inspection shall be conducted.
 - (2) All on-site inspections shall be conducted when an authorized representative of the operation who is knowledgeable about the operation is present and at a time when land, facilities, and activities that demonstrate the operation's compliance with or capability to comply with the applicable provisions of this chapter can be observed, except that this requirement does not apply to unannounced on-site inspections.

(c) Verification of information. The on-site inspection of an operation shall verify:

- (1) The operation's compliance or capability to comply with this chapter;
- (2) That the information, including the OCal system plan requirements provided pursuant to sections 10201, 10501(a)(1), and 10506(a)(1) of this chapter, accurately reflects the practices used or to be used by the applicant for certification or by the certified operation;
- (3) That prohibited substances have not been and are not being applied to the operation through means which, at the discretion of the registered certifying agent, may include the collection and testing of soil, water, waste, seeds, plant tissue, plant, or cannabis product samples.

(d) Exit interview. The inspector shall conduct an exit interview with an authorized representative of the operation who is knowledgeable about the inspected operation to confirm the accuracy and completeness of inspection observations and information gathered during the on-site inspection. The inspector shall also address the need for any additional information as well as any issues of concern.

(e) Documents to the inspected operation.

- (1) At the time of the inspection, the inspector shall provide the operation's authorized representative with a receipt for any samples taken by the inspector. There shall be no charge to the inspector for the samples taken.
- (2) The registered certifying agency shall send a copy of the on-site inspection report and any test results to the inspected operation.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10504. Granting Certification.

(a) Upon completion of the initial on-site inspection, the registered certifying agent shall review the on-site inspection report, the results of any analyses for substances conducted, and any additional information requested from or supplied by the applicant. If the registered certifying agent determines that the OCal system plan and all procedures and activities of the applicant's operation are in compliance with the requirements of this chapter and that the applicant is able to conduct operations in accordance with the plan, the registered certifying agent shall begin granting certification. The certification may include requirements for the correction of correctable non-compliances within a specified time period as a condition of continued certification. The operation is certified upon issuance of the certificate.

(b) The department shall issue each operation a certification number pursuant to section 10408(b) of this chapter.

(c) The registered certifying agent shall issue a certificate of OCal operation which specifies:

- (1) Name and premises address of the certified operation;
- (2) Department-issued certification number;
- (3) Effective date of initial certification;
- (4) Most recent inspection date;
- (5) The operation's commercial cannabis license numbers and license types;
- (6) Name, address, and telephone number of the registered certifying agent.

(d) Subject to section 10506 of this chapter once certified, a production operation's OCal certification continues in effect until surrendered, suspended or revoked by the registered certifying agent or the department, or if the operation no longer holds a valid commercial cannabis license.

(e) The OCal certificate shall be prominently displayed by the certified operation where it can be viewed by state or local government agencies.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10505. Denial of Certification.

(a) When the registered certifying agent has reason to believe, based on a review of the information specified in section 10502 or 10504 of this chapter, that the applicant for certification is not able to comply or is not in compliance with the requirements of this chapter, the registered certifying agent shall provide a written notification of non-compliance to the applicant. When correction of a notice of non-compliance is not possible, a notification of non-compliance and a notification of denial of certification may be combined in one notification. The notification of non-compliance shall provide:

- (1) A description of each non-compliance;
- (2) The facts upon which the notification of non-compliance is based; and
- (3) The date by which the applicant shall rebut or correct each non-compliance and submit supporting documentation of each such correction when correction is possible.

(b) Upon receipt of such notification of non-compliance, the applicant may:

- (1) Correct non-compliances and submit a description of the corrective actions taken, with supporting documentation, to the registered certifying agent;
- (2) Correct non-compliances and submit a new application to another registered certifying agent and include, with the completed application, the notification of non-compliance received from the first registered certifying

agent and a description of the corrective actions taken along with supporting documentation; or

(3) Submit written information to the issuing registered certifying agent to rebut the non-compliance described in the notification of non-compliance.

(c) After issuance of a notification of non-compliance, the registered certifying agent shall:

(1) Evaluate the applicant's corrective actions taken and supporting documentation submitted or the written rebuttal, conduct an on-site inspection if necessary, and

(A) When the corrective action or rebuttal is sufficient for the applicant to qualify for certification, issue the applicant an approval of certification pursuant to section 10504 of this chapter, or

(B) When the corrective action or rebuttal is not sufficient for the applicant to qualify for certification, issue the applicant a written notice of denial of certification.

(2) Issue a written notice of denial of certification to the applicant who fails to respond to the notification of non-compliance.

(3) Provide notice of approval or denial to the department.

(d) A notice of denial of certification shall state the reason(s) for denial and the applicant's right to:

(1) Reapply for certification pursuant to sections 10501 and 10505(e) of this chapter;

(2) Request mediation pursuant to section 10704 of this chapter;

(3) File an appeal of the denial of certification pursuant to section 10706 of this chapter.

(e) The applicant for certification who has received a written notification of non-compliance or a written notice of denial of certification may apply for certification again at any time with any registered certifying agent pursuant to section 10501 of this chapter. When such applicant submits a new application to the registered certifying agent other than the agent who issued the notification of non-compliance or notice of denial of certification, the applicant for certification shall include a copy of the notification of non-compliance or notice of denial of certification and a description of the actions taken, with supporting documentation, to correct the non-compliances noted in the notification of non-compliance.

(f) The registered certifying agent that receives a new application for certification, which includes a notification of non-compliance or a notice of denial of certification, shall treat the application as a new application and begin a new application process pursuant to section 10501 of this chapter.

(g) Notwithstanding paragraph (a) of this section, if the registered certifying agent has reason to believe that the applicant for certification has willfully made a false statement or otherwise purposefully misrepresented the applicant's operation or its compliance with the certification requirements pursuant to this chapter, the registered certifying agent may deny certification pursuant to paragraph (c)(1)(B) of this section without first issuing a notification of non-compliance.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10506. Continuation of Certification.

(a) To continue certification, a certified operation shall annually pay the certification fees and submit the following information, as applicable, to the registered certifying agent:

(1) An updated OCal system plan that includes:

(A) A summary statement, supported by documentation, detailing any deviations from, changes to, modifications to, or other amendments made to the previous year's OCal system plan during the previous year; and

(B) Any additions or deletions to the previous year's OCal system plan, intended to be undertaken in the coming year, detailed pursuant to section 10201 of this chapter;

(2) Any additions to or deletions from the information required pursuant to section 10501 of this chapter;

(3) An update on the correction of minor non-compliances previously identified by the registered certifying agent as requiring correction for continued certification; and (4) Other information as deemed necessary by the registered certifying agent to determine compliance with this chapter, including, but not limited to, additional information regarding the origin of inputs and evidence of correction of minor noncompliances.

(b) Following receipt of the information specified in paragraph (a) of this section, the registered certifying agent shall arrange and conduct an on-site inspection of the certified operation pursuant to section 10503 of this chapter, except when it is impossible for the registered certifying agent to conduct the annual on-site inspection following receipt of the certified operation's annual update of information. In such cases the registered certifying agent may allow continuation of certification and issue an updated certificate of OCal operation on the basis of the information submitted and the most recent on-site inspection conducted during the previous 12 months, provided that the annual on-site inspection, required pursuant to section 10503 of this

chapter, is conducted within the first six months following the certified operation's scheduled date of annual update.

(c) If the registered certifying agent has reason to believe, based on the on-site inspection and a review of the information specified in section 10501 of this chapter, a certified operation is not complying with the requirements of this chapter, the registered certifying agent shall provide a written notification of non-compliance to the operation pursuant to section 10703(b) of this chapter.

(d) If the registered certifying agent determines the certified operation is in compliance with this chapter, the registered certifying agent shall issue an updated certificate of OCal operation pursuant to section 10504 of this chapter.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

ARTICLE 7. FEES

Section 10600. Fees and Other Charges for Accreditation and Accreditation Renewal.

(a) A non-refundable application fee of \$500.00 shall be due at the time of application. This fee will be applied to the total amount due for accreditation.

(b) The department shall charge an hourly fee for service of \$55.00 for time spent on accreditation or accreditation renewal. Accreditation fees are based on the time required to render the service provided calculated to the nearest 15-minute period. Fees cover the review of applications and accompanying documents and information, evaluator travel time, the conduct of on-site evaluations, review of annual reports and updated documents and information, and the time required to prepare reports and any other documents in connection with the performance of service.

(c) Travel and per diem charges shall be administratively determined by the California Department of Human Resources, California Code of Regulations, title 2, division 1, chapter 3, subchapter 1, article 2, (commencing with section 599.615). Per diem charges to the applicant will cover the same period of time for which the evaluator(s) receives per diem reimbursement. The accreditation or accreditation renewal applicant will not be charged a new travel or per diem rate without notification before the service is rendered.

(d) When costs other than costs specified in paragraphs (a), (b), and (c) of this section are associated with providing the services, the accreditation or accreditation renewal applicant will be charged for these costs. Such costs include, but are not limited to, equipment rental, photocopying, delivery, facsimile, telephone, or translation charges incurred in association with accreditation services. The amount of the costs charged will be determined administratively by the department.

(e) The balance due upon completion of accreditation or accreditation renewal shall be billed to the applicant and due to the department 10 calendar days after the bill or notice date. Fees shall be collected from applicant prior to issuance of accreditation or accreditation renewal.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10601. Fees for Registration and Registration Renewal.

(a) Fees for initial registration shall be due at the time of registration. Initial registration shall expire on January 1 of the year following initial registration.

(1) 12-month incentive fee. The initial registration fee shall be a flat fee of \$1,000.00 if a certifying agent is registered during first nine months following the program's start date, or \$750.00 if a certifying agent is registered during the final three months of the 12-month period following the program's start date.

(2) Regular, on-going fee. At the end of the 12-month period following the program's start date, the initial registration fee shall be a flat fee of \$5,000.00 if a certifying agent is registered during the first three quarters of the year, and \$3,000.00 if a certifying agent is registered during the final quarter of the year

(b) Fees for registration renewal shall be due by January 1 of each year. Registration shall expire on January 1 of the following year.

(1) The annual registration renewal fee of 26 percent of gross revenue earned from certification during the previous calendar year or a flat fee of \$100.00, whichever is higher.

(c) Fees and other charges shall be collected from applicants prior to issuance of initial registration and registration renewal.

Section 10602. Fees and Other Charges for Certification.

(a) Fees charged by a registered certifying agent must be reasonable and a registered certifying agent shall charge applicants for certification and certified cultivation and distribution operations only those fees and charges that it has filed with the department.

(b) The registered certifying agent shall provide each applicant with an estimate of the total cost of certification and an estimate of the annual cost of updating the certification.

(c) The certifying agent may require applicants for certification to pay at the time of application a nonrefundable fee which shall be applied to the applicant's fees-for-service account.

(1) The certifying agent may set the nonrefundable portion of certification fees; however, the nonrefundable portion of certification fees must be explained in the fee schedule submitted to the department.

(2) The fee schedule must explain what fee amounts are nonrefundable and at what stage during the certification process fees become nonrefundable.

(d) The certifying agent shall provide all persons inquiring about the application process with a copy of its fee schedule.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10603. Payment of Department Fees and Other Charges.

Fees shall be paid in accordance with sections 10600 or 10601 and pursuant to the directions on the bill or notice.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

ARTICLE 8. COMPLIANCE

Section 10700. General.

The department may inspect, audit, review or investigate a certified operation's or a registered certifying agent's compliance with this chapter with or without prior notice.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10701. Adverse Actions.

(a) The department may initiate one or a combination of the following actions on a registration, accreditation, or certification:

- (1) Notice of Non-compliance;
- (2) Notice of Proposed Suspension;
- (3) Notice of Proposed Revocation; or
- (4) Notice of Suspension or Revocation.

(b) The registered certifying agent may initiate one or a combination of the following actions on a certification:

- (1) Notice of Non-compliance
- (2) Notice of Proposed Suspension; or (3) Notice of Proposed Revocation.

(c) The department may initiate suspension, for a term of no less than six months, or revocation of a certification:

- (1) When the department has reason to believe a certified operation has violated or is not in compliance with this chapter; or
- (2) When the department has reason to believe a certified operation has violated or is not in compliance with this

chapter and the registered certifying agent fails to take appropriate action to enforce this chapter.

(d) The department may initiate suspension or revocation of an accreditation or registration if the registered certifying agent fails to meet, conduct, or maintain accreditation or registration requirements pursuant to this chapter. The suspension term will be no less than six months.

(e) The department may issue administrative fines to certifying agents and certified operations for violations of this chapter. The amount of the fine assessed for each violation shall be based upon the scope of the violation, the seriousness of the deception, and the impact of the fine on the violator, including the deterrent effect on future violations.

(1) Up to \$17,952.00 per violation for knowingly labeling or selling a product as: (A) "OCal," except in accordance with this chapter, or

(B) "Organic," except in accordance with the Organic Foods Production Act of 1990.

(2) Up to \$20,000.00 per violation with a Proposed Suspension or Revocation, a Suspension or Revocation, or in response to a Willful violation

(3) The department shall receive payment of fines no more than 30 calendar days past the date of notification unless the fine is being appealed.

(4) All fines shall be paid prior to consideration for reinstatement or renewal of accreditation or registration, regardless of due date.

(f) All correspondence issued pursuant to sections 10702, 10703, 10704, and 10705 of this chapter and responses to correspondence shall be sent to the recipient's place of business via a delivery service which provides dated return receipts.

Authority: Sections 26012, 26013, 26030 and 26031.5, Business and Professions Code. Reference: Sections 26013, 26031, 26062 and 26062.5, Business and Professions Code.

Section 10702. Investigation of Certified Operations.

(a) The registered certifying agent shall investigate suspected non-compliance and credible complaints of non-compliance with this chapter concerning operations certified as OCal by the registered certifying agent.

(b) The registered certifying agent must notify the department of all compliance proceedings and actions taken pursuant to this chapter.

(c) The department may assign a complaint against a certified operation to its registered certifying agent for investigation and specify a timeframe during which the investigation shall take place as agreed upon between the department and the registered certifying agent.

(d) The registered certifying agent shall investigate a complaint against a certified operation within the specified timeframe determined in subdivision (c).

(e) The registered certifying agent may refer an investigation back to the department, within the specified timeframe determined in subdivision (c), if the registered certifying agent lacks resources, expertise, or for some other reason beyond its control is unable to resolve the case. The registered certifying agent shall provide the department written explanation for its inability to reach a conclusion along with all findings.

(f) The registered certifying agent shall, in a timely manner, take appropriate action against a certified operation.

(g) If the registered certifying agent fails to comply with paragraphs (a) through (f) of this section, the department will resolve the complaint or take appropriate action against a certified operation and may begin non-compliance proceedings against the registered certifying agent pursuant to section 10705 of this chapter.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10703. Non-compliance Procedures for Certified Operations.

(a) The registered certifying agent shall notify the certified operation and the department of any denial of certification or proposed fine, proposed suspension, or proposed revocation of a certification pursuant to this chapter.

(b) Notice of non-compliance. When an inspection, audit, or review of a certified operation by the registered certifying agent or the department reveals any non-compliance with this chapter, a written notification of non-compliance shall be sent to the certified operation. Such notification shall provide:

- (1) A description of each non-compliance;
- (2) The facts upon which the notification of non-compliance is based; and
- (3) The date by which the certified operation shall rebut or correct each non-compliance and submit supporting documentation of each such correction when correction is possible.

(c) Resolution. When a certified operation demonstrates that each non-compliance has been resolved, the registered certifying agent or the department, as applicable, shall send the certified operation a written notification of non-compliance resolution.

(d) Proposed suspension or revocation. When rebuttal is unsuccessful or correction of the non-compliance is not completed within the prescribed time period, the registered certifying agent or department official shall send the certified

operation a written notification of proposed suspension or revocation of certification of the entire operation or a portion of the operation, as applicable to the non-compliance. When correction of a non-compliance is not possible, the notification of non-compliance and the proposed suspension or revocation of certification may be combined in one notification. The notification of proposed suspension or revocation of certification shall state:

- (1) The reasons for the proposed suspension or revocation;
- (2) The proposed effective and expiration dates of such suspension;
- (3) The proposed effective date and impact of a revocation on future eligibility for certification;
- (4) The right to request mediation pursuant to section 10704 or request an appeal pursuant to section 10706 of this chapter.

(e) Willful violations. Notwithstanding paragraph (b) of this section, if the registered certifying agent or the department has reason to believe that a certified operation has willfully violated the regulations in this chapter, the registered certifying agent or the department shall send the certified operation a notification of proposed suspension or revocation of certification of the entire operation or a portion of the operation, as applicable to the non-compliance.

(f) Suspension or revocation. If the certified operation fails to correct the non-compliance, to resolve the issue through rebuttal or mediation, or to file an appeal of the proposed suspension or revocation of certification, the department shall send the certified operation a written notification of suspension or revocation that includes the amount of the administrative fine, pursuant to section 10701(e), if applicable.

(g) Eligibility for reinstatement.

(1) A certified operation whose certification has been suspended under this section may apply for reinstatement of certification, effective after the period of suspension has ended, by submitting to the registered certifying agent:

- (A) A copy of the notice showing the suspension expiration date;
- (B) A new application for certification in compliance with section 10501 of this chapter.
- (C) Evidence demonstrating correction of each non-compliance and corrective actions taken to comply and remain in compliance with this chapter; and
- (D) Evidence of payment of all fines in accordance with section 10701(e)(3) and (4).

(2) When the items in (g)(1) in this section have been satisfied, the registered certifying agent may issue a new

Ocal certificate to the operation pursuant to section 10504 of this chapter.

(3) A certified operation or a person responsibly connected with an operation whose certification has been revoked will be ineligible to receive certification for a period of five years following the effective date of such revocation.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10704. Mediation for Certified Operations.

Any dispute with respect to denial of certification or proposed suspension or revocation of certification under this chapter may be mediated at the request of the applicant for certification or certified operation and with acceptance by the registered certifying agent. Mediation shall be requested in writing to the applicable registered certifying agent. If the registered certifying agent rejects the request for mediation, the registered certifying agent shall provide written notification to the applicant for certification or certified operation. The written notification shall advise the applicant for certification or certified operation of the right to request an appeal, pursuant to section 10706 of this chapter, within 30 calendar days of the date of the written notification of rejection of the request for mediation. If mediation is accepted by the registered certifying agent, such mediation shall be conducted by a qualified mediator mutually agreed upon by the parties to the mediation. The parties to the mediation shall have no more than 30 calendar days to reach an agreement following a mediation session. If mediation is unsuccessful, the applicant for certification or certified operation shall have 30 calendar days from termination of mediation to appeal the registered certifying agent's decision pursuant to section 10706 of this chapter. Any agreement reached during or as a result of the mediation process shall be in compliance with the regulations in this chapter. The department may review any mediated agreement for conformity to the regulations in this chapter and may reject any agreement or provision not in conformance with this chapter.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10705. Non-compliance Procedure for Registered Certifying Agents.

(a) Notice of non-compliance. When an inspection, audit, or review of the registered certifying agent by the department reveals any non-compliance with this chapter, a written

notification of non-compliance shall be sent to the registered certifying agent. Such notification shall provide:

- (1) A description of each non-compliance;
- (2) The facts upon which the notification of non-compliance is based;
- (3) The date by which the registered certifying agent shall rebut or correct each non-compliance and submit supporting documentation of each correction when correction is possible.

(b) Resolution. When the registered certifying agent demonstrates that each non-compliance has been resolved, the department shall send the registered certifying agent a written notification of non-compliance resolution.

(c) Proposed suspension or revocation. When rebuttal is unsuccessful or correction of the non-compliance is not completed within the prescribed time period, the department shall send a written notification of proposed suspension or revocation of accreditation or registration to the registered certifying agent. The notification of proposed suspension or revocation will state whether the registered certifying agent's accreditation or specified areas of accreditation are to be suspended or revoked. When correction of a non-compliance is not possible, the notification of non-compliance and the proposed suspension or revocation may be combined in one notification. The notification of proposed suspension or revocation of accreditation or registration will state:

- (1) The reasons for the proposed suspension or revocation;
- (2) The proposed effective and expiration dates of the suspension or revocation;
- (3) The proposed effective date of the revocation and its impact on future eligibility for accreditation;
- (4) The right to file an appeal pursuant to section 10706 of this chapter.

(d) Willful violations. Notwithstanding paragraph (a) of this section, if the department has reason to believe that the registered certifying agent has willfully violated the regulations in this chapter, the department shall send a written notification of proposed suspension or revocation of accreditation or registration to the registered certifying agent.

(e) Suspension or revocation. When the accredited registered certifying agent fails to file an appeal of the proposed suspension or revocation of accreditation or registration, the department shall send a written notice of suspension or revocation of accreditation or registration to the certifying agent.

(f) Cessation of certification activities. The registered certifying agent whose accreditation or registration is suspended or revoked shall:

- (1) Cease all certification activities.

(2) Transfer to the department and make available to department officials all records concerning its certification activities that were suspended or revoked.

(g) Eligibility for reinstatement.

(1) A certifying agent whose accreditation or registration has been suspended under this chapter may submit a request to the department for reinstatement of its accreditation or registration, to take effect after the expiration date of the suspension or revocation. The request shall be accompanied by evidence demonstrating correction of each non-compliance and corrective actions taken to comply and remain in compliance with this chapter. All fines shall be paid pursuant to section 10701(e)(3) and (4).

(2) A certifying agent whose accreditation or registration is revoked by the department will be ineligible to be accredited or registered as a certifying agent under this chapter for a period of not less than three years following the date of such revocation.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10706. Appeals – General.

(a) The certified operation or certifying agent (respondent) may appeal a denial, the imposition of administrative fines pursuant to section 10701(e), or proposed notice of suspension or revocation to the department.

(b) All appeals shall be reviewed, heard, and decided by persons not involved with the decision being appealed.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10707. Appeals – Submission.

(a) The registered certifying agent or certified operation may appeal a notice of denial, proposed suspension or revocation, suspension or revocation, or the imposition of administrative fines pursuant to section 10701(e), by submitting a written request for an informal hearing to the Department of Food and Agriculture, Legal Office of Hearings and Appeals, 1220 “N” Street, Suite 315, Sacramento, California 95814 or via email to CDFA.LegalOffice@cdfa.ca.gov. The request shall be received by the department within 30 calendar days after the date of the notice. The request shall include the following:

- (1) Certifying agent or certified operation’s (respondent’s) name, mailing address, and daytime phone number;
- (2) Respondent’s certification number (if applicable);
- (3) A copy of the notice; and
- (4) A request for a telephonic hearing, if preferred.

(b) If the respondent fails to submit a request for hearing pursuant to subdivision (a) of this section, the proposed suspension or revocation may not be appealed and the department may proceed without a hearing.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10708. Appeals – Evidence Provided by Certifying Agent.

(a) If the certified operation (respondent) appeals the proposed suspension or revocation action, notice of denial, or imposition of administrative fines by the certifying agent, the department shall request in writing evidence from the certifying agent to support the proposed suspension or revocation action.

(b) Within 30 days from the date of the request by the department, the certifying agent shall provide or send all information supporting the proposed suspension or revocation action to the department.

(c) If the certifying agent fails to send supporting information to the department within the specified time frame, the appeal shall be sustained with no impact on the respondent’s certification.

(d) Within 45 days from the date of the request for supporting evidence, the department shall send the respondent either a notice of informal hearing pursuant to section 10709 of this chapter or notify the respondent that the appeal is sustained with no impact on the respondent’s certification.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10709. Appeals – Informal Hearing Schedule and Notification.

(a) The department shall schedule an informal hearing within 45 calendar days from receipt of the request for an informal hearing.

(b) The department shall provide notice of the informal hearing to the respondent. The notice shall contain the following information:

- (1) Date, location, and time of the informal hearing;
- (2) A statement to the respondent that the respondent may, but need not, be represented by counsel at any or all stages of the proceedings;
- (3) Summary of the violations;
- (4) Any other information or documentation necessary for the hearing; and
- (5) A copy of California Code of Regulations, title 3, section 10710.

Authority: Sections 26012, 26013, and 26031, Business and Professions Code. Reference: Sections 26013 and 26031, Business and Professions Code.

Section 10710. Appeals – Conduct of Informal Hearing.
Informal hearings shall be conducted as follows:

- (a) The standard of proof to be applied by the hearing officer shall be a preponderance of the evidence.
- (b) The respondent may request a hearing by phone by submitting the request with the appeal pursuant to section 10707.
- (c) The hearing officer shall issue a written decision:
 - (1) Within 30 calendar days after the conclusion of the hearing;
 - (2) That includes a statement of the factual legal basis of the decision; and
 - (3) By personal service, mail, email, or via facsimile, depending upon the method by which the appeal was received.
- (d) Review of the department’s decision may be sought by the respondent within 30 calendar days from the date of the decision pursuant to section 1094.5 of the Code of Civil Procedure.

Authority: Sections 26012, 26013, and 26031, Business and Professions Code. Reference: Sections 26013 and 26031, Business and Professions Code.

Section 10711. Inspection, Testing, and Reporting.

- (a) A certified operation shall make all agricultural inputs, cannabis waste or cannabis that is to be sold, labeled, or represented as OCal accessible for examination and sampling by the department or the certified operation’s registered certifying agent.
- (b) The department or the registered certifying agent may require preharvest or postharvest testing of any agricultural input used, cannabis waste, or cannabis that is to be sold, labeled, or represented as OCal when there is reason to believe the agricultural input or cannabis has come into contact with a prohibited substance or has been produced using excluded methods. Samples collected and tested may include soil, water, cannabis waste, seeds, plant tissue, and whole plants. Such tests shall be conducted by the department or the registered certifying agent at the department’s or the registered certifying agent’s own expense.
- (c) The registered certifying agent shall conduct periodic residue testing of cannabis waste and pre- and post-harvest cannabis that is to be sold, labeled, or represented as OCal. Samples collected and tested may include soil, water, cannabis waste, seeds, plant tissue, and whole plants. Such tests shall be conducted by the registered certifying agent at the registered certifying agent’s own expense.

- (d) The registered certifying agent shall, on an annual basis, sample and test from a minimum of 5 percent of the operations it certifies, rounded to the nearest whole number. The registered certifying agent that certifies fewer than 30 operations on an annual basis shall sample and test from at least one operation annually.
- (e) Sample collection in accordance with this section shall be performed by a representative of the department or the registered certifying agent. Sample integrity shall be maintained throughout the chain of custody.
- (f) Testing shall be performed by the Department of Food and Agriculture Center for Analytical Chemistry or a laboratory located in California that is a California commercial cannabis licensee or is accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state and approved by the department.
- (g) When testing detects prohibited substances, the registered certifying agent shall investigate to determine the cause of the prohibited substance.
- (h) A certified operation must provide its registered certifying agent with a copy of the Certificate of Analysis (COA) for any batch tested, pursuant to section 26100 of the Business and Professions Code, that is destroyed within three business days after notification of destruction. If the batch was held or destroyed due to residue from prohibited substances, the registered certifying agent shall investigate pursuant to section 10702 of this chapter.
- (i) Results of all analyses and tests performed under this chapter will be available for public access unless the testing is part of a compliance investigation or action. Results may be reviewed as part of a department audit pursuant to section 10412 of this chapter.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10712. Exclusion from Sale as OCal and Reporting.

When residue testing detects unavoidable residual environmental contamination or prohibited substances at levels greater than 0.01 parts per million (ppm) or greater than the action level set by the Bureau of Cannabis Control if this action level is greater than 0.01 parts per million (ppm), the cannabis product shall not be sold, labeled, or represented as OCal. The registered certifying agent shall investigate pursuant to section 10702 of this chapter.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

Section 10713. Emergency Pest or Disease Treatment.

When a prohibited substance is applied to a certified operation due to a federal or state emergency pest or disease treatment program and the certified operation otherwise meets the requirements of this chapter, the certification status of the operation shall not be affected as a result of the application of the prohibited substance, but, any harvested crop or plant part to be harvested that has contact

with a prohibited substance applied as the result of a federal or state emergency pest or disease treatment program cannot be sold, labeled, or represented as OCal.

Authority: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26013 and 26062, and 26062.5, Business and Professions Code.

TITLE 17. PUBLIC HEALTH DIVISION 1. STATE DEPARTMENT OF HEALTH SERVICES CHAPTER 5. SANITATION (ENVIRONMENTAL) SUBCHAPTER 2.5. OCal

ARTICLE 1. DEFINITIONS

§ 22000. Definitions.

The following definitions apply to this Subchapter:

- “Accreditation” means a determination made by the Secretary of United States Department of Agriculture that authorizes a certifying agency to conduct certification activities as a certifying agent for the National Organic Program (as described in 7 CFR Part 205).
- “Advertisement” means all representations disseminated in any manner or by any means for the purpose of inducing or likely to induce, directly or indirectly, the purchase of a product including but not limited to a display of written, printed, or graphic matter regarding any cannabis product including digital content.
- “Advertise” means to represent or disseminate in any manner or by any means for the purpose of inducing or likely to induce, directly or indirectly, the purchase of a product including but not limited to a display of written, printed, or graphic matter regarding any cannabis product including digital content.
- “Cannabis” has the same meaning as Section 26001(f) of Division 10 of the Business and Professions Code.
- “Cannabis products” means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate. This includes, but is not limited to, concentrated cannabis, an edible or topical product containing cannabis, or concentrated cannabis containing other ingredients.
- “Certification” refers to an approval or credential process that has been finalized that generates a unique certificate number.
- “Certifying agent” means any entity that has a valid federal accreditation by the United States Department of Agriculture under the National Organic Program to certify organic operations.
- “Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
- “Department” means California Department of Public Health.
- “Distribution” means the procurement, sale, and transport of cannabis and cannabis products between licensees.
- “Information panel” means any part of the cannabis product label that is not the primary panel or principal display panel and that contains required labeling information.
- “Label” means a display of written, printed, or graphic matter upon a cannabis product container or wrapper.
- “Labeling” means any label or other written, printed, or graphic matter upon a cannabis product, upon its container or wrapper, or that accompanies any cannabis product.
- “Manufacture” or “Manufacturing” means all aspects of the extraction process, infusion process, and packaging, re-packaging, labeling, or re-labeling of cannabis products. It also means cooking, baking, heating, mixing, churning, fermenting, preserving, dehydrating, freezing, and includes jarring, or otherwise enclosing cannabis product in a container or synonyms of the above terms. It also means adding ingredients including any non-cannabis ingredients to a cannabis product. It does not include the repacking of cannabis products from a bulk shipping container by distributor or retailer where the cannabis product's original packaging and labeling is not altered.
- “Manufacturer” means an entity which manufactures cannabis products that it intends to sell, label, or represent as cannabis products which are “sold as OCal”.
- “Misbranded” under this Subchapter means a cannabis product that is 1) labeled falsely or misleading in any particular way, 2) manufactured in violation of this

Subchapter, and 3) labeled in violation of this Subchapter.

- “National List” means the list of allowed and prohibited substances included in National Organic Program regulations (7 CFR Sections 205.600 through 205.607).
- “National Organic Program” or “NOP” means the federal program established pursuant to the Organic Foods Production Act of 1990 (7 USC Section 6501 et seq.) and the regulations adopted thereof.
- “OCal” is a trademark labeling term for a comparable program to the National Organic Program (Section 6517 of the federal Organic Foods Production Act of 1990 (7 USC Section 6501 et seq.) and the California Organic Food and Farming Act (Chapter 10 (commencing with Section 46000) of Division 17 of the Food and Agricultural Code) and Article 7 (commencing with Section 110810) of Chapter 5 of Part 5 of Division 104 of the Health and Safety Code.
- “OCal system plan” means a plan of management between an OCal-certified manufacturer and a registered certifying agent that includes written plans concerning all aspects of cannabis product manufacturing.
- “Organic” means a trademark labeling term that refers to an agricultural product produced in accordance with the Organic Foods Production Act and the National Organic Program regulations (7 CFR Part 205).
- “Primary panel or principal display panel” means the part of a cannabis product label that is most likely to be displayed, presented, shown, or examined under customary conditions of display for retail sale.
- “Prohibited substance” means a substance that must not be used in any aspect of United States Department of Agriculture Organic or OCal manufacturing and cultivation and is prohibited by the National Organic Program.
- “Registration” means an approval or credential process that has been finalized that generates a unique registration number.
- “Sold as OCal” means any use of the terms “OCal,” “OCal grown,” or grammatical variations of those terms that must include “OCal” as required under this Subchapter or pursuant to the regulations promulgated under Subsection (a) of Section 26062 of Division 10 of the Business and Professions Code; whether orally or in writing; in connection with any cannabis product; sold or offered for sale; including, but not limited to, any use of these terms in labeling or advertising of any cannabis product; and any ingredient in a multi-ingredient cannabis product.
- “Split operation” means an operation that manufactures both OCal-certified and noncertified cannabis products.

“Split operation” does not mean an operation certified to produce both organic and OCal products.

- Note: Authority cited: Sections 100275, 110065, 110835 and 113115, Health and Safety Code; and Section 26062(a)(2), Business and Professions Code. Reference: Sections 110811 and 110815, Health and Safety Code; and Section 26062.5, Business and Professions Code.

ARTICLE 2. APPLICABILITY

§ 22005. General.

- (a) This Subchapter applies to manufacturers with a valid cannabis license that intend to sell, label, or represent cannabis products as OCal and to federally accredited certifying agents that intend to certify cannabis products as OCal.
- (b) A certifying agent must obtain a registration from the department pursuant to Article 5.
- (c) A manufacturer must obtain a registration from the department pursuant to Article 6.
- (d) A manufacturer that intends to only identify OCal cannabis and organic ingredients in the ingredient statement on the information panel:
 - (1) Must obtain a registration from the department pursuant to Article 6, and
 - (2) Is exempt from OCal certification.
- (e) The provisions of this Subchapter only apply within the state. It is the intent of the state to follow federal law regarding interstate commerce.

§ 22015. Allowed and Prohibited Substances and Methods in OCal Manufacturing.

- (a) To be sold or labeled OCal, cannabis products must be manufactured without the use of:
 - (1) Synthetic substances and ingredients, except as provided in The National List of Allowed and Prohibited Substances 7 CFR Section 205.601;
 - (2) Nonsynthetic substances prohibited in The National List of Allowed and Prohibited Substances 7 CFR Section 205.602;
 - (3) Substances prohibited for use on cannabis under state law as determined by the Department of Pesticide Regulation;
 - (4) Excluded methods as defined in 7 CFR Section 205.2;
 - (5) Ionizing radiation, as described in Food and Drug Administration regulation (21 CFR Section 179.26); and
 - (6) Sewage sludge.
- (b) If a manufacturing practice is not prohibited or otherwise restricted under this Subchapter, such practice may be permitted if it complies with the requirements of this Subchapter.

§ 22020. Inspection or Investigation.

The department may inspect, audit, review or investigate any registered or nonregistered manufacturer required to comply with this Subchapter for compliance with this Subchapter with or without prior notice.

§ 22025. Severability.

In this Subchapter, if any section, subsection, clause, sentence, or phrase of these regulations is for any reason held to be invalid or unconstitutional, or if any application of this Subchapter to any person or circumstance is found to be invalid, the invalidity or unconstitutionality must not affect any other section, subsection, clause, sentence, phrase or application which can be given effect without the invalid provision or application in this Subchapter.

§ 22030. Excluded Operations.

The following operations are excluded from this Subchapter:

- (a) A cultivator or processor that dries, cures, grades, trims, rolls, packages, re-packages, labels, re-labels or otherwise processes cannabis or nonmanufactured cannabis products intended to be sold, labeled, or represented as OCal.
- (b) A distributor that packages, re-packages, labels, re-labels, or rolls cannabis or nonmanufactured cannabis products intended to be sold, labeled, or represented as OCal.

Article 3. Manufactured Ocal Cannabis Product Requirements

§ 22035. Minimum Manufacturing Requirements.

Manufacturers must manufacture cannabis products to be sold as OCal in accordance with the following requirements:

- (a) All cannabis used by a manufacturer must be obtained from an entity with valid, current cannabis licenses issued by the cannabis licensing authority pursuant to Division 10 of the Business and Professions Code.
- (b) All cannabis extract used in manufacturing must be:
 - (1) Manufactured in accordance with this Subchapter, or
 - (2) Acquired from an OCal-certified manufacturer in accordance with this Subchapter.
- (c) All cannabis extract used in the manufacture of OCal cannabis product must be extracted by only one or more of the following methods:
 - (1) Water;
 - (2) Steam;
 - (3) Ice or dry ice;
 - (4) Butter or food-grade oil that has been certified organic under the National Organic Program;
 - (5) Ethanol that has been certified organic under the National Organic Program;
 - (6) Carbon dioxide; or
 - (7) Mechanical methods.
- (d) Nonagricultural substances allowed under the National List may be used only under the following circumstances:

- (1) In or on a cannabis product intended to be sold, labeled, or represented as "OCal," if not commercially available in organic form, or

- (2) In or on a cannabis product intended to be sold, labeled, or represented as "Made with OCal Cannabis".

(e) The following must not be used in or on a cannabis product that is intended to be sold, labeled, or represented as "100 percent OCal," "OCal," or "Made with OCal Cannabis," or in or on any ingredients labeled as OCal:

- (1) Any practices prohibited under of 7 CFR §205.105, or
- (2) A volatile synthetic solvent or other synthetic processing aid not allowed under 7 CFR Sections 205.605 and 205.606.

§ 22040. OCal System Plans.

(a) A manufacturer must develop an OCal system plan.
(b) The OCal system plan must contain, at a minimum, all the following:

- (1) Descriptions of each ingredient, manufacturing aid, and material to be used in the manufacturing and packaging of an OCal cannabis product;
- (2) Storage practices for OCal cannabis, cannabis products, cannabis extract, and organic ingredients;
- (3) Pest management practices;
- (4) Manufacturing methods;
- (5) Cleaning and sanitizing practices, including equipment cleanout;
- (6) Labeling procedures;
- (7) Procedures for obtaining OCal ingredients and organic ingredients;
- (8) Any other policies and procedures used to ensure the manufacturing standards in this Subchapter are met;
- (9) A description of the recordkeeping system implemented to comply with the requirements established in Section 22140;
- (10) A description of practices and procedures to be performed and maintained, including the frequency with which they will be performed;
- (11) A description of the management practices and physical barriers established to prevent commingling of OCal and non-OCal products on a split operation and to prevent contact of OCal operations and products with prohibited substances; and
- (12) Additional information deemed necessary by the certifying agent to evaluate compliance with this section.

§ 22045. Facility Pest Management Practice Standard.

A manufacturer must establish pest prevention practices at each facility that manufactures OCal cannabis products.

(a) The pest prevention plan must include but is not limited to:

- (1) Removal of pest habitat, food sources, and breeding areas;

- (2) Prevention of access to facilities in which OCal cannabis products are manufactured; and
- (3) Management of environmental factors, such as temperature, light, humidity, atmosphere, and air circulation, to prevent pest reproduction.

(b) Pests may be controlled through:

- (1) Mechanical or physical controls including but not limited to traps, light, or sound; and
- (2) Lures and repellents using nonsynthetic or synthetic substances consistent with The National List of Allowed and Prohibited Substances 7 CFR Section 205.601 through 205.602.

(c) If the practices provided for in paragraphs (a) and (b) of this section are not effective to prevent or control pests, a nonsynthetic or synthetic substance consistent with The National List may be applied.

(d) If the practices provided for in paragraphs (a), (b), and (c) of this section are not effective to prevent or control facility pests, a synthetic substance not included on The National List may be applied, provided that the operation and registered certifying agent agree on the substance, method of application, and measures to be taken to prevent contact of OCal cannabis products with the substance used.

(e) The manufacturer of an OCal operation who applies a nonsynthetic or synthetic substance to prevent or control pests must update the operation's OCal system plan to reflect the use of such substances and methods of application. The updated OCal system plan must include a list of all measures taken to prevent contact of OCal cannabis products with the substance used.

(f) Regardless of the practices described in this section, a manufacturer may use substances to prevent or control pests as required by federal, state, or local laws and regulations provided that measures are taken to prevent contact of OCal cannabis products with the substance used.

§ 22050. Commingling and Contact with Prohibited Substance Prevention Practice Standard.

(a) A manufacturer must implement measures necessary to:

- (1) Prevent the commingling of OCal and non-OCal cannabis products;
- (2) Prevent the commingling of organic ingredients with non-organic ingredients and OCal cannabis with non-OCal cannabis; and
- (3) Protect OCal cannabis, OCal cannabis products, and organic ingredients from contact with prohibited substances.

(b) A manufacturer must not allow any of the following for use with regard to any cannabis products to be sold, labeled, or represented as OCal:

- (1) Packaging materials, storage containers, or bins that contain a synthetic fungicide, preservative, or fumigant; or

- (2) Use or reuse of any bag or container that has been in contact with any substance that would compromise the integrity of organic ingredients, OCal cannabis, or OCal cannabis products placed in those containers, unless such reusable bag or container has been thoroughly cleaned and poses no risk of contact with the substance used.

ARTICLE 4. OCal LABELS, LABELING, AND ADVERTISING INFORMATION

§ 22055. Cannabis Products Labeled OCal.

In addition to the cannabis labeling required pursuant to Division 10 of the Business and Professions Code and its implementing regulations, a manufacturer intending to sell cannabis products as OCal must comply with the following in regard to labels, labeling and advertising information:

(a) Calculating organic ingredients. The percentage of organic ingredients in a cannabis product must be calculated as specified in 7 CFR Section 205.302.

(b) 95 percent or greater. Cannabis products manufactured with only OCal-certified cannabis and 95 percent or greater certified organic ingredients may be labeled "100 percent OCal," or "OCal". The following labeling terms, may be used on the primary or principal display panel, information panel, and in any advertising information:

- (1) "100 percent OCal" or "OCal" to modify the name of the product;
- (2) For cannabis products labeled "OCal", the size of the percentage statement must not exceed one-half the size of the largest type size on the panel on which the statement is displayed and must appear in the same type size, style, and color without highlighting;
- (3) The OCal seal; and
- (4) The seal, logo, or other identifying mark of the certifying agent which certified the operation that manufactured the finished cannabis product. Such seals or marks must not be individually displayed more prominently than the OCal seal.

(c) 70 percent or greater. Cannabis products manufactured with only OCal-certified cannabis and 70 percent or greater certified organic ingredients may be labeled "Made with OCal Cannabis". The following labeling terms may be used on the primary or principal display panel, information panel, and in any advertising information:

- (1) The statement "Made with OCal Cannabis"; and
- (2) The seal, logo, or other identifying mark of the certifying agent which certified the operation that manufactured the finished cannabis product.

The label on a cannabis product labeled "Made with OCal Cannabis" must not include the term OCal to modify the name of the product or display the OCal seal.

(d) OCal ingredient. Each OCal cannabis ingredient must be identified in the ingredient statement with the word “OCal” or with an asterisk or other reference mark that is defined below the ingredient statement to indicate the ingredient has been OCal produced.

(e) Organic ingredient. Each organic ingredient must be identified only in the ingredient statement with the word “organic” or with an asterisk or other reference mark that is defined below the ingredient statement to indicate the ingredient has been organically produced.

(f) Information panel. On the information panel, below the information identifying the manufacturer of the cannabis product and preceded by the statement, “Certified OCal by * * *,” or similar phrase, the certifying agent that certified the manufacturer of the finished product must be identified. The business address, Internet address, or telephone number of the certifying agent may be included on the label.

(g) OCal-certified manufacturers.

(1) An OCal-certified manufacturer must not use the term “organic” or include any reference on the primary or principal display panel or in any advertising material used to describe the product or modify the name of the cannabis product.

(2) Organic ingredients may only be identified in the ingredients statement on the information panel as described in paragraph (e) of this section.

(h) Manufacturers not OCal-certified.

(1) Manufacturers registered with the department that are not OCal-certified may only identify OCal cannabis or organic ingredients in the ingredient statement on the information panel as described in paragraphs (d) and (e) of this section.

(2) The term “OCal,” “organic” or any other similar term cannot appear on the primary or principal display panel or in any advertising material used to describe the product or modify the name of the cannabis product.

§ 22060. Labeling of Bulk Containers Used for OCal Cannabis Products.

(a) Bulk containers used to store or transport cannabis products sold as OCal must display identifying information that the product is “OCal” on the outside of the container.

(b) Bulk containers used to ship or store OCal cannabis products must display the batch or lot number.

§ 22065. OCal Seal.

(a) The OCal seal described in this Subchapter must only be used for cannabis products that meet the requirements of the laws under Section 26062 of Division 10 of the Business and Professions Code and its regulations (including Division 8 of Title 3 of the California Code of Regulations and this Subchapter).

(b) The OCal seal must replicate the form and design of the examples in figures 1 (color) or 2 (black and white) and must be printed legibly and conspicuously:

(1) On a white background and with the term “OCal” (“O” in green with white cannabis flower inside “O” and “Cal” in orange overlapping the “O”).

(2) On a white or transparent background with the term “OCal” (“O” in dark gray with white cannabis flower inside “O” and “Cal” in black overlapping the “O”).



Note: Authority cited: Sections 100275, 110065, 110835 and 113115, Health and Safety Code; and Section 26062(a)(2), Business and Professions Code. Reference: Section 26062.5, Business and Professions Code.

§ 22070. Registered Certifying Agent Seal, Logo, or Other Identifying Mark.

A registered certifying agent under this Subchapter may establish a seal, logo, or other identifying mark to be used by a manufacturer certified by the certifying agent to indicate affiliation with the registered certifying agent provided that the registered certifying agent:

(1) Does not require as a condition of OCal certification use of its seal, logo, or other identifying mark on any product sold, labeled, or represented as OCal, and

(2) Does not require as a condition of use of its identifying mark compliance with any manufacturing practices other than those provided for in this Subchapter.

ARTICLE 5. REGISTRATION AND REQUIREMENTS OF CERTIFYING AGENTS

§ 22075. Minimum Requirements for Certifying Agents.

(a) Only certifying agents federally accredited pursuant to the areas of manufacturing and handling may apply for registration to the department.

(b) Prior to initial OCal certification of a manufacturer, a registered certifying agent must conduct at least one initial physical inspection per each premise where the cannabis product to be certified is manufactured. This inspection must include Recordkeeping by Manufacturers pursuant to Section 22140, OCal System Plan pursuant to Section 22040, and Facility Pest Management Practice Standard pursuant to Section 22045.

(c) A registered certifying agent must after the initial OCal certification, at least annually, physically inspect each premise where the cannabis product to be certified is manufactured. The inspection must include the

recordkeeping system necessary for compliance with Recordkeeping by Manufacturers pursuant to Section 22140, OCal System Plan pursuant to Section 22040, and Facility Pest Management Practice Standard pursuant to Section 22045.

(d) A registered certifying agent must verify as part of the OCal certification process that each manufacturer has:

(1) Valid, current cannabis licenses issued by the cannabis licensing authority pursuant to Division 10 of Business and Professions Code;

(2) For new applicants, verify that the manufacturer has applied for OCal registration from the department; and

(3) For renewal applicants, verify that the manufacturer has an active and valid OCal registration from the department.

(e) A registered certifying agent must adhere to the accreditation requirements as specified in 7 CFR Part 205, Subpart F and must make all accreditation documents available for copying and inspection immediately upon request by the department.

§ 22080. Application for Registration of Certifying Agents.

(a) Each applicant must provide all requested information on the application form approved by the department.

(b) Each applicant must pay a non-refundable \$100 registration fee.

(c) Upon review and approval of the completed application and registration fees, the certifying agent will be issued a registration certificate valid for one year from the date of application.

(d) A registrant must immediately notify the department of any change in the information reported on the application form.

(e) A registrant must immediately notify the department of any change in operation that may affect its compliance with this Subchapter.

(f) A registration is considered legal and valid until revoked, suspended, or until the expiration of the registration.

(g) A registration under this section is not transferrable to any other entity, owner, address, or location.

(h) An ownership change of more than 5 percent will require a new application and registration fee.

(i) If at any time the registered certifying agent is no longer federally accredited pursuant to this article:

(1) If there has been no determination on the initial application, the application is considered immediately denied unless the certifying agent elects to withdraw its application, or

(2) If there has been a determination on the initial application, the application will be considered immediately suspended.

(j) Revenue received pursuant to this section must be deposited in the Food Safety Fund created pursuant to Health and Safety Code Section 110050.

§ 22085. Review of Registration Application for Certifying Agents.

(a) If an application for certifying agent is incomplete, the applicant must submit missing information, fee, payment, or fine no later than 30 calendar days from the date of notification from the department.

(b) The application will be deemed abandoned if the missing information, fee, payment, or fine is not submitted within the specified timeframe.

(c) If the application is deemed abandoned, the applicant may reapply and pay a new registration fee.

§ 22090. Withdrawal of Application for Certifying Agents.

The applicant may withdraw an application at any time prior to the department's issuance, denial, or revocation of registration.

(a) Requests to withdraw an application must be submitted to the department in writing, dated, and signed by the applicant.

(b) The department will not refund registration fees for a withdrawn application.

(c) The applicant may reapply and pay a new registration fee following the withdrawal of an application.

§ 22095. Registration Renewal for Certifying Agents.

(a) The registered certifying agent must renew their registration with the department annually prior to the registration expiration date. Any certifying agent that does not pay the registration fee within 30 days of the date on which the fee is due and payable must pay a penalty of 1.5 percent per month on the unpaid balance.

(b) When the registration fee is not paid within 60 days from the expiration date, the account may be considered closed and the registration voided. A notification may be sent to the registrant to notify them that they are no longer able to certify products as OCal until the account is paid in full.

(c) Any registration that is more than 60 days late will be considered invalid.

(d) The registered certifying agent will receive a registration certificate, which includes the registration number and the expiration date only when:

(1) All required information is submitted pursuant to Sections 22080 and 22095 of this Subchapter;

(2) Required fee(s) or fine(s) are paid pursuant to Sections 22080 and 22095 of this Subchapter; and

(3) The department approves the renewal application.

(e) A registration renewal will be valid for a period of one year and may be renewed as provided in this section unless the registered certifying agent notifies the department that it

voluntarily ceases its OCal certification activities, or registration is suspended, expired or revoked pursuant to this Subchapter.

(f) If at any time the registered certifying agent is no longer federally accredited pursuant to this article the registration is considered immediately suspended.

§ 22100. List of OCal-certified Manufacturers.

At the request of the department, a registered certifying agent must, at the end of each calendar quarter, prepare a list by name of all manufacturers whose cannabis product is OCal-certified or pending OCal certification by the certifying agent. This list may be made publicly available on the department's web site.

§ 22105. Site Evaluations for Registered Certifying Agents.

(a) The department may conduct site evaluations for the purpose of examining the certifying agent's operations and evaluating its compliance with the regulations in this Subchapter. Site evaluations may include an on-site review of the registered certifying agent's OCal certification procedures, decisions, facilities, administrative and management systems, and operations certified by the registered certifying agent. Site evaluations will be conducted by a representative of the department.

(b) One or more site evaluations may be conducted at any time during the registration period to determine registered certifying agent's compliance with this Subchapter.

(c) A representative from the department may accompany a certifying agent on a site evaluation of a manufacturer to ensure the certifying agent's compliance with this Subchapter.

§ 22110. Investigation of Manufacturers by Registered Certifying Agents.

(a) The registered certifying agent must conduct an inspection of their OCal-certified manufacturers at least once a year.

(b) The registered certifying agent must investigate suspected noncompliance(s) and credible complaints of noncompliance with this Subchapter concerning manufacturers certified as OCal by the registered certifying agent.

(c) The registered certifying agent must notify the department of all noncompliance proceedings and actions taken pursuant to this Subchapter.

(d) The department may assign a complaint against a certified manufacturer to its registered certifying agent for investigation.

(1) The registered certifying agent must investigate and resolve a complaint against a manufacturer within 90 days unless otherwise specified by the department.

(2) The registered certifying agent must provide the department written documentation of all complaint outcomes and findings.

(3) If the registered certifying agent is unable to resolve the complaint, the registered certifying agent must provide the department written explanation for its inability to reach a conclusion along with all findings.

(4) If the registered certifying agent fails to comply with paragraphs (1) through (3) of this section, the department may resolve the complaint or may begin noncompliance proceedings against the registered certifying agent pursuant to this Subchapter.

ARTICLE 6. REGISTRATION AND REQUIREMENTS OF OCal MANUFACTURERS

§ 22115. Minimum Requirements for Department Registration of OCal Manufacturers.

(a) Every person engaged in this state in the manufacturing of cannabis products for human or animal consumption or use sold as OCal, must register with the department, and must annually renew its registration unless no longer so engaged in manufacturing.

(b) Manufacturers only claiming OCal or organic ingredients in the ingredients statement on the information panel must register with the department and are exempt from certification by a registered certifying agent.

(c) To obtain registration from the department under this Subchapter, manufacturers must comply as follows:

(1) Possess valid, current cannabis licenses issued by the cannabis licensing authority under Division 10 of the Business and Professions Code;

(2) Possess a valid and current OCal certification by a department-registered certifying agent for each operation or specified portion of an operation that meets all applicable requirements of this Subchapter. Except for operations excluded under Sections 22005(d), 22030, and 22115(b) of this Subchapter;

(3) Develop, maintain, and adhere to the recordkeeping system necessary for compliance with Recordkeeping by Manufacturers pursuant to Section 22140, OCal System Plan pursuant to Section 22040, and Facility Pest Management Practice Standard pursuant to Section 22045;

(4) Permit on-site inspections of the premises by the department and by the registered certifying agent to ensure compliance with this Subchapter;

(5) Immediately notify the department and registered certifying agent regarding any change in operation or any portion of operation that may affect its compliance with this Subchapter;

(d) Manufacturers must comply with all requirements of this Subchapter unless specified by an exemption in this Subchapter.

§ 22120. Application for Registration of Manufacturers.

(a) Each applicant must provide all requested information on the application to be approved by the department.

(b) At a minimum, each applicant must provide the following information:

- (1) The OCal certification number issued to the firm and a copy of the OCal certification document pursuant to Section 22115, if applicable;
- (2) The cannabis license number and expiration date issued to the firm by the cannabis licensing authority and a copy of the cannabis license pursuant to Section 22115;
- (3) For renewal applications only, the total annual OCal gross revenue received from manufacturing OCal cannabis products in dollars, for the previous 12 months;
- (4) For renewal applications only, the quantity (in pounds) of all finished cannabis products sold as OCal by product type (commodity) as determined by the department for the previous 12 months; and
- (5) Documents requested by the department or supplied by the applicant under paragraphs (3) and (4) above must be marked “confidential financial documents” by the applicant.

(c) A registration application must be accompanied by payment of a nonrefundable registration fee payable to the department. The fee must be based on annual gross revenue of OCal product received from manufacturing by the registrant in the calendar year that precedes the date of registration.

- (1) New applicants will pay \$350 for the first year of registration. Renewal fees will be based on annual gross revenue and the fee schedule in this section.
- (2) For a manufacturer licensee that is also licensed as a distributor or retailer by the cannabis licensing authority, and that sells or transfers cannabis products manufactured on the licensed premises in a non-arm's length transaction, the annual gross revenue for such transactions must be based on the product's fair market value if it were to be sold in an arm's length transaction at wholesale.
- (3) For purposes of this section, an “arm's length transaction” means a sale entered into in good faith and for valuable consideration that reflects the fair market value in the open market between two informed and willing parties, neither under any compulsion to participate in the transaction.

The fee is based according to the following schedule:

New Applicants	\$350
Renewal Applicants	
Gross Annual Revenue	Annual Registration Fee
\$0-\$5,000	\$50
\$5,001-\$50,000	\$100
\$50,001-\$125,000	\$200
\$125,001-\$500,000	\$300
\$500,001-\$1,500,000	\$400
\$1,500,001-\$2,500,000	\$600
\$2,500,001-and above	\$700

(d) Fees may be adjusted annually by the percentage change printed in the Budget Act for those items appropriating funds to the state department. After the first annual adjustment of fees or charges pursuant to this section, the fees, or charges subject to subsequent adjustment must be the fees or charges for the prior calendar year. The percentage change must be determined by the Department of Finance and must include at least the total percentage change in salaries and operating expenses of the state department. However, the total increase in amounts collected under this section must not exceed the total increased cost of the program or service provided.

(e) An approved registration is considered legal and valid until revoked, suspended, or until the expiration of the registration.

(f) A registration under this section is not transferrable to any other entity, licensee, address, or location.

(g) Any change that requires a new license under Division 10 of the Business and Professions Code will require the applicant to submit a new application and registration fees required under this Subchapter.

(h) The applicant must immediately notify the department of any change in the information reported on an application form.

(i) Any manufacturer required to be registered by the department under this Subchapter that does not pay the registration fee required by section will be considered as having an incomplete application and is not authorized to manufacture under this Subchapter and is subject to fines and/or penalties under this Subchapter.

(j) If at any time the manufacturer does not possess valid, current cannabis licenses issued by the cannabis licensing authority pursuant to Division 10 of Business and Professions Code or does not possess an active and valid OCal certification pursuant to Section 22115:

- (1) If there has been no determination on the initial application, the application is considered immediately denied unless the manufacturer elects to withdraw the application, or

(2) If there has been a determination by the department on the initial application, the application will be considered immediately suspended.

§ 22125. Review of Registration Application for OCal Manufacturers.

(a) If an application is incomplete, the applicant must submit the missing information, fee, payment, or fine no later than 30 calendar days from the date of notification from the department.

(b) The application will be deemed abandoned if the missing information, fee, payment, or fine is not submitted within the specified timeframe.

(c) If the application is deemed abandoned, the applicant may reapply and pay a new registration fee.

§ 22130. Withdrawal of Application for Manufacturers.

An applicant may withdraw an application at any time prior to the department's approval, denial, suspension, or revocation of registration.

(a) Requests to withdraw an application must be submitted to the department in writing, dated, and signed by the firm owner(s).

(b) The department will not refund registration fees for a withdrawn application.

(c) An applicant may reapply and pay a new registration fee following the withdrawal of an application.

§ 22135. Registration Renewal for OCal Manufacturers.

(a) Manufacturers must renew their registration with the department annually prior to the registration expiration date. Any manufacturer that does not pay the registration fee within 30 days of the date on which the fee is due and payable must pay a penalty of 1.5 percent per month on the unpaid balance.

(b) When the registration fee is not paid within 60 days from the expiration date, the account may be considered closed and the registration voided. A notification may be sent to the registrant that they are no longer able to advertise or sell cannabis products as OCal until the account is paid in full.

(c) Any registration that is more than 60 days late will be considered invalid and it is a violation if cannabis product is sold as OCal.

(d) The manufacturer will receive a registration certificate, which includes the registration number and the expiration date only when:

- (1) All required information has been submitted pursuant to this article;
- (2) Required fee(s) or fine(s) have been paid pursuant to this article; and
- (3) The department approves the renewal application.

(e) A registration renewal will be valid for a period of one year and may be renewed as provided in this article, unless

the manufacturer notifies the department that it voluntarily ceases its manufacturing activities, or registration is suspended, expired or revoked pursuant to this Subchapter.

(f) If at any time the manufacturer does not possess an active and valid cannabis license pursuant to Section 22115 or does not possess an active and valid OCal certification pursuant to Section 22115, the department registration is considered automatically and immediately suspended by the department.

§ 22140. Recordkeeping by Manufacturers.

(a) A manufacturer registered by the department must maintain the following documents onsite for cannabis products intended to be sold, labeled, or represented as OCal:

- (1) OCal system plan;
- (2) Sales invoices and receipts of cannabis and organic ingredients purchased for use in OCal cannabis products;
- (3) The name and address of all persons, to whom or from whom the OCal cannabis products are sold, purchased, or otherwise transferred, the quantity of product sold or otherwise transferred, and the date of the transaction;
- (4) Invoices, bills of lading, or other documents that show transfer of title of certified cannabis products must indicate the product is "OCal" or "certified OCal"; and
- (5) All substances applied to the product or used in or around any area where product is kept, including the quantity applied and the date of each application. All pesticide chemicals must be identified by brand name, if any, and by source.

(b) The records must be maintained for a period of five years and must be maintained in a manner distinguishable from other records related to commercial cannabis activity.

(c) Regardless of any other provision of law, a manufacturer must provide any record or document required to be kept under this Subchapter onsite for cannabis products intended to be sold, labeled, or represented as OCal, and must make the documents immediately available for inspection and copying by the department or the certifying agent upon request.

ARTICLE 7. COMPLIANCE

§ 22145.

It is unlawful for any person to sell, offer for sale, advertise, or label cannabis products in noncompliance of this Subchapter.

§ 22150.

It is unlawful for any person other than the department to register OCal cannabis manufacturers.

§ 22155.

It is unlawful for any person to certify cannabis products as OCal unless duly registered with the department and federally accredited as a certification organization under the NOP.

§ 22160.

It is unlawful for any person to willfully make a false statement or representation, or knowingly fail to disclose a fact required to be disclosed, on a registration application or document. False means untruthful.

§ 22165.

It is unlawful for any person to sell, label, advertise, cause in any way to appear in advertisement or similar, or otherwise refer to cannabis products as organic except as permitted under section 22055.

§ 22170.

It is unlawful for any person to manufacture cannabis products sold as OCal unless registered by the department and in compliance with this Subchapter.

§ 22175.

It is unlawful for any person to forge, falsify, fail to retain, fail to obtain, or fail to disclose records pursuant to section 22140.

§ 22180.

It is unlawful for any person to represent the registration number, any logo or trademark of the department or status of the registration in advertising or labeling.

§ 22185.

It is unlawful for any person to alter any OCal certification or certification documents.

§ 22190.

It is unlawful for any person to alter any OCal registration certificate or registration document.

§ 22195.

It is unlawful for any person to falsify any document.

§ 22200.

It is unlawful for any person to use the term “transitional OCal” or “OCal when available” or similar terminology to represent a cannabis product for sale.

§ 22205.

It is unlawful for any person to use or represent the word “OCal” or the OCal seal regarding a cannabis product unless in compliance with this Subchapter.

§ 22210.

It is unlawful for any person to disseminate any false advertisement for cannabis products under this Subchapter. An advertisement is false if it is untruthful or misleading.

ARTICLE 8. ACTIONS UPON A MANUFACTURER OR CERTIFYING AGENT

§ 22215. Adverse Actions.

(a) The department may initiate one or a combination of the following actions on a manufacturer or certifying agent:

- (1) Notice of Noncompliance;
- (2) Suspension;
- (3) Revocation;
- (4) Denial;
- (5) Penalty; or
- (6) Fine.

(b) The registered certifying agent may initiate one or a combination of the following actions on a manufacturer:

- (1) Notice of Noncompliance;
- (2) Revocation;
- (3) Suspension;
- (4) Denial;
- (5) Penalty; or
- (6) Fine.

(c) The department may initiate suspension, for a term of no less than six months, or revocation of a registration:

- (1) When the department has reason to believe a registered manufacturer or registered certifier has violated or is not in compliance with this Subchapter; or
- (2) When the department has reason to believe a registered manufacturer has violated or is not in compliance with this Subchapter and the registered certifying agent fails to take appropriate action to enforce this Subchapter.
- (3) This section does not apply when the suspension of a registration is initiated pursuant Sections 22080(f), 22095(f), 22120(k), or 22135(e).

ARTICLE 9. ACTIONS BETWEEN A CERTIFYING AGENT AND A MANUFACTURER

§ 22220. Noncompliance Procedures for Manufacturers by Registered Certifying Agents.

(a) The registered certifying agent must notify the manufacturer and the department of any denial of OCal certification or proposed fine, proposed suspension, or proposed revocation of an OCal certification pursuant to this Subchapter.

(b) Notice of noncompliance. When an inspection, audit, or review of a manufacturer by the registered certifying agent reveals any noncompliance with this Subchapter, a written notification of noncompliance must be sent to the manufacturer. Such notification must provide at a minimum:

- (1) A description of each noncompliance;
- (2) The facts upon which the notification of noncompliance is based; and

(3) The date by which the manufacturer must rebut or correct each noncompliance and submit supporting documentation of each such correction when correction is possible.

(c) Resolution. When a manufacturer demonstrates that each noncompliance has been resolved, the registered certifying agent must send the manufacturer a written notification of noncompliance resolution.

(d) Proposed suspension or revocation. When resolution is unsuccessful or correction of the noncompliance is not completed within the prescribed time period, the registered certifying agent must send the manufacturer a written notification of proposed suspension or revocation of OCal certification of the entire operation or a portion of the operation, as applicable to the noncompliance. When correction of a noncompliance is not possible, the notification of noncompliance and the proposed suspension or revocation of OCal certification may be combined in one notification. The notification of proposed suspension or revocation of OCal certification must state at a minimum:

- (1) The reasons for the proposed suspension or revocation;
- (2) The proposed effective and expiration dates of such suspension;
- (3) The proposed effective date and impact of a revocation on future eligibility for OCal certification; and
- (4) The right to request mediation from the department between the manufacturer and the registered certifying agent within 30 calendar days from the notice.

(e) Willful noncompliance. Regardless of paragraph (b), if the registered certifying agent has reason to believe that a manufacturer has willfully violated the regulations in this Subchapter, the registered certifying agent must send the manufacturer a notification of proposed suspension or revocation of OCal certification of the entire operation or a portion of the operation, as applicable to the noncompliance.

(f) Suspension or revocation. If the manufacturer fails to correct the noncompliance, to resolve the issue through mediation, or to file an appeal of the proposed suspension or revocation of OCal certification under Article 10, the certifying agent must send the manufacturer a written notification of suspension or revocation that includes the amount of the administrative fine, if applicable.

(g) Eligibility for reinstatement:

- (1) A manufacturer whose OCal certification has been suspended under this section may apply for reinstatement of OCal certification, effective after the period of suspension has ended, by submitting to the registered certifying agent:
 - (A) A copy of the notice showing the suspension expiration date;

(B) Evidence demonstrating correction of each noncompliance and corrective actions taken to comply and remain in compliance with this Subchapter; and
(C) Evidence of payment of all fines due to the department.

(2) When the items in paragraph (g) in this section have been satisfied, the registered certifying agent may re-issue the OCal certificate to the manufacturer pursuant to this Subchapter.

(3) A manufacturer whose OCal certification has been revoked will be ineligible to receive OCal certification for a period of five years following the effective date of such revocation. The department may, when in the best interest of the certification program, reduce or eliminate the period of ineligibility.

§ 2225. Mediation for Manufacturers and Registered Certifying Agents.

(a) Any dispute with respect to denial of OCal certification or proposed suspension or revocation of certification under this Subchapter between a manufacturer and a registered certifying agent may be mediated at the request of the manufacturer.

(b) Mediation must be requested in writing to the department within 30 calendar days from the notice by the registered certifying agent regarding the manufacturer's certification status.

(c) If mediation is unsuccessful, the manufacturer must have 30 calendar days from termination of mediation to appeal the registered certifying agent's decision pursuant to Section 22230.

(d) The department will document in writing the results of such mediation including any agreement reached.

§ 2230. Appeal between Manufacturers and Registered Certifying Agents.

(a) Upon a request pursuant to Section 22225, a manufacturer seeking OCal certification may request appeal of a decision by a registered certifying agent as follows:

- (1) Submitting a written request for appeal to the Chief of the Food and Drug Branch, and
- (2) The request for appeal must be postmarked or received by the department no later than 30 calendar days after the date of the registered certifying agent's notice of decision to the manufacturer or applicant, and
- (3) The request must include the following:
 - (A) A copy of the department's written report of mediation, if applicable.
 - (B) A copy of the registered certifying agent's notice of noncompliance and any documented resolution of noncompliance.

(C) A copy of the registered certifying agent's decision of denial of OCal certification, proposed suspension, or revocation.

(D) All documentation that support the request for appeal.

(b) The Chief of the Food and Drug Branch must notify of his or her decision within 15 calendar days for proposed suspension and within 30 calendar days for all other decisions.

(c) Within 14 calendar days of the decision of the Chief of the Food and Drug Branch, a requesting party may petition for reconsideration from the Division Chief over the Food and Drug Branch in the Center for Environmental Health.

(1) The Division Chief over the Food and Drug Branch in the Center for Environmental Health must notify the requesting party of his or her decision within 30 calendar days.

(2) The decision of the Division Chief over the Food and Drug Branch in the Center for Environmental Health constitutes a final and nonreviewable order.

ARTICLE 10. DEPARTMENT ACTIONS AND APPEALS

§ 22235. Noncompliance Procedures for Certifying Agents and Manufacturers.

(a) Notice of Noncompliance.

(1) When the department issues written notification of noncompliance, the certifying agent or manufacturer must demonstrate that each noncompliance has been resolved within an agreed upon timeframe.

(2) The department may send a written notification of noncompliance resolution, if applicable.

(b) Suspension, revocation, or denial. When correction of the noncompliance is not completed by the certifying agent or manufacturer, the department may proceed with the suspension, revocation, or denial process.

(c) Willful noncompliance. Regardless of paragraph (a) of this section, if the department has reason to believe that the certifying agent or manufacturer has willfully violated regulations in this Subchapter, the department will send a written notification of suspension, proposed suspension, or revocation of registration.

(d) Suspension or revocation. When the certifying agent or manufacturer fails to file an appeal of the proposed suspension or revocation of registration pursuant to this article, the department will send a written notice of suspension or revocation of registration.

(e) Cessation of activities:

(1) The registered certifying must:

(A) Cease all OCal certification activities of OCal cannabis manufacturers, and

(B) At the request of the department, transfer to the department and make available to department officials

all records concerning its certification activities that were suspended or revoked.

(2) The manufacturer must:

(A) Cease all labeling and advertising of cannabis products sold as OCal, and

(B) At the request of the department, transfer to the department and make available to department officials all records concerning its manufacturing activities that were suspended or revoked.

(f) Eligibility for reinstatement.

A certifying agent or manufacturer whose registration has been suspended under this Subchapter may:

(1) Submit a request to the department for reinstatement of its registration by submitting a new application and paying the registration fee. If approved by the department, the reinstatement will take effect after the expiration date of the suspension.

(2) The application must be accompanied by evidence demonstrating correction of each noncompliance and corrective actions taken to comply and remain in compliance with this Subchapter.

(3) All fines or penalties or both must be paid prior to consideration for reinstatement.

(4) A certifying agent whose registration is revoked by the department will be ineligible to be registered as a certifying agent under this Subchapter for a period of not less than three years following the date of such revocation.

(5) A manufacturer whose registration is revoked by the department will be ineligible to be registered by the department as a manufacturer under this Subchapter for a period of not less than three years following the date of such revocation.

§ 22240. Appeals - General.

(a) If the department seeks action against a certifying agent or manufacturer, an opportunity to appeal the action must be afforded.

(b) The certifying agent whose registration has been denied, suspended, pending revocation or is revoked may request an appeal by filing a written notice with the department no later than 30 calendar days after the date of the department's written notice of the suspension, denial, intent to revoke, or revocation.

(c) The manufacturer whose registration has been denied, suspended, pending revocation or is revoked may request an appeal by filing a written notice with the department no later than 30 calendar days after the date of the department's written notice of the suspension, denial, intent to revoke, or revocation.

(d) If certifying agent or manufacturer fails to submit a timely written request for appeal pursuant to this section, the department may proceed without a hearing.

(e) Any appeal requested under this section must be conducted pursuant to the procedures specified in Section 131071 of Division 101 of the Health and Safety Code.

§ 22245. Evidence Provided by Certifying Agent.

(a) If the department seeks suspension, revocation, denial, or penalty against a manufacturer, the department may request evidence from the certifying agent to support the proposed suspension, revocation, or denial action or penalty.

(b) Within 30 calendar days from the date of the request by the department, the certifying agent must provide or submit all information supporting the proposed suspension, revocation, or denial action or penalty to the department. The certifying agent must also be available for department interview and for any testimony needed in an appeal.

(c) If the certifying agent fails to submit supporting information to the department within the specified time frame or is not available for department interview or testimony, the department may revoke the registration of the certifying agent.

ARTICLE 11. PENALTIES

§ 22250. Penalties.

(a) The department may levy a civil penalty against any person who violates this Subchapter, in an amount not more than \$5,000 for each violation. The amount of the penalty assessed for each violation must be based upon the nature of the violation, the seriousness of the effect of the violation upon effectuation of the purposes and provisions of this Subchapter, and the impact of the penalty on the violator, including the deterrent effect on future violations.

(b) Notwithstanding the penalties prescribed in paragraph (a), if the department finds that a violation was not intentional, the department may levy a civil penalty of not more than \$2,500 for each violation.

(c) For a first offense, in lieu of a civil penalty as prescribed in paragraphs (a) and (b), the department may issue a notice of noncompliance, if the department finds that the violation is minor.

(d) Any fees and civil penalties collected pursuant to this Subchapter must be deposited in the Food Safety Fund established pursuant to Section 110050 of Division 104 of the Health and Safety Code.

(e) A person against whom a civil penalty is levied must be afforded an opportunity for a hearing before the department pursuant to Section 131071 of Division 101 of the Health and Safety Code. If no hearing is requested, the civil penalty must constitute a final and nonreviewable order.

§ 22255. Embargo.

Whenever an agent of the department finds, or has probable cause to believe, that a cannabis product subject to this Subchapter is misbranded or falsely advertised (orally, in printed form, or in any other form of media), that agent must affix to the affected cannabis products a tag or other appropriate marking. The agent must describe the misbranded or false advertising violations and that the cannabis products have been embargoed, and that no person may remove or dispose of cannabis products until permission for removal or disposal is given by an agent of the department or the court.

§ 22260.

It is unlawful for any person to remove, sell, or dispose of detained or embargoed cannabis products without permission of an authorized agent of the department or the court.

§ 22265.

When an agent of the department finds, or has reasonable cause to believe, that the embargo will be violated, that agent may remove the embargoed product to a place of safekeeping.

§ 22267.

Any superior court of this state may condemn any cannabis product under this Subchapter. In the absence of an order, the cannabis product may be destroyed by the owner, a responsible party with written consent of the owner, the owner's attorney, or an authorized representative, and while under the supervision of an authorized agent of the department. The destruction is at the expense of the owner.

§ 22270.

The remedies under this section are in addition to, and do not supersede, or limit, any and all other remedies, civil or criminal.



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