

# FRIDAY REVIEW

## LEGISLATIVE AND GOVERNMENTAL AFFAIRS

March 11, 2022

### Cannabis

**Department of Cannabis Control** - The Department of Cannabis Control (DCC) released revisions to its permanent regulations for cannabis on March 4, 2022. The revised regulations seek to accomplish DCC's goal to streamline and strengthen the cannabis regulatory framework. You can find DCC's proposed rulemaking [here](#). Proposed changes, as well as the timeline and public comments process, are summarized below. A 45-day public comment period follows the release of the revised regulations, from March 4<sup>th</sup> to April 19<sup>th</sup> with the process outlined on the DCC's [website](#). There will also be two public hearings on March 23 or April 19. The completion of regulations are expected to occur in the Fall of 2022, which is also when the regulations will go into effect. For further detailed *see APPENDIX A Staff: Peter Ansel; [pansel@cfbf.com](mailto:pansel@cfbf.com); 916-446-4647*

### Climate

**The California Department of Food and Agriculture is now accepting grant applications for the Alternative Manure Management Program (AMMP) and Dairy Digester Research and Development Program (DDRDP).** These programs are funded through a \$32 million appropriation from the California State Budget. Applications for DDRDP and AMMP are due Monday, May 9, 2022 by 5:00 PM and information can be found [here](#). The Department is hosting two workshops:

- Wednesday, March 16, 2022 from 2:00 PM to 4:00 PM Register [here](#)
- Friday, March 25, 2022 from 10:00 AM to 12:00 PM Register [here](#)

*Staff: Taylor Roschen, [troschen@cfbf.com](mailto:troschen@cfbf.com) or 916-446-4647.*

### Forestry and Wildfire

**As discussed last week, on Tuesday, March 08, 2022 at 9:00 a.m. Senate Natural Resources and Water Committee (SNRW) heard [SB 896](#) (Bill Dodd, D-Napa) and [SB 936](#) (Steve Glazer, D-Alameda).** SB 896 requires any local government entity that is qualified to conduct defensible space assessments in very high and high fire hazard severity zones and that reports that information to the Department of Forestry and Fire Protection, to report that information using a common reporting platform. SB 936 requires, upon an appropriation in the budget, for the California Conservation Corp director to establish a forestry training center in northern California in partnership with Cal FIRE and California Department of Corrections and Rehabilitation on or before December 31, 2024. SB 896 passed with a unanimous committee vote and now moves to the Senate Appropriations Committee for fiscal review. SB 936 passed with a unanimous

committee vote and moves to Senate Public Safety Committee for another policy discussion. *Staff: Peter Ansel; [pansel@cbbf.com](mailto:pansel@cbbf.com); 916-446-4647*

**Assembly member Fong's [AB 522](#), which as previously discussed extends the sunset date of the Forest Fire Prevention Exemption**, passed the Assembly Floor with 59 Ayes, 4 Noes, and 13 members Absent or Abstained. The bill moves to the Senate. *Staff: Peter Ansel; [pansel@cbbf.com](mailto:pansel@cbbf.com); 916-446-4647*

**The Wildfire and Forest Resilience Task Force meets virtually on March 24, 2022.** The Governor's Forest Management Taskforce back in January of 2021 released a comprehensive action plan to reduce wildfire risk for vulnerable communities, improve the health of forests and wildlands and accelerate action to combat climate change. The Task Force and the state's efforts going forward will be guided by this Action Plan. To read the Action Plan, click [here](#). With an overall goal to increase the pace and scale of forest management and wildfire resilience efforts by 2025 and beyond, the Task Force meets in a hybrid model monthly. To register for the virtual meetings, click [here](#). *Staff: Peter Ansel; [pansel@cbbf.com](mailto:pansel@cbbf.com); 916-446-4647*

## Insurance

**California Department of Insurance Increases FAIR Plan Commercial Coverage** - Insurance Commissioner Ricardo Lara announced on Thursday, March 10, 2022 significant increases in the limits of coverage to the FAIR Plan's commercial programs that are offered to businesses, no later than May 1, 2022. The increases approved by Commissioner Lara expand the combined coverage limits for the FAIR Plan, under its Division I Commercial Property Program, from \$4.5 million to \$8.4 million, and, under its Division II Businessowners Program, from \$3.6 million to \$7.2 million. This action is a direct result of Commissioner Lara previously ordering the FAIR Plan to increase its own coverage limits, with the FAIR Plan failing to enact new limits. These coverage limits have not been raised since at least 1997 and 1994 respectively, despite the Consumer Price Index showing costs have nearly doubled during that time in California. Commissioner Lara's action allows those businesses unable to secure insurance coverage in the normal insurance market with access to insurance they need to operate, especially in high wildfire risk areas. *Staff: Peter Ansel; [pansel@cbbf.com](mailto:pansel@cbbf.com); 916-446-4647*

## Pesticides

**The California Department of Food and Agriculture (CDFA) announced it has awarded \$1.49 million in grant funding for pest management research projects.** UC Riverside received \$994,551 to fund the Hemp Agroecology Network (HAN), a partnership that will develop, evaluate, and demonstrate ecologically based pest management practices in hemp, targeting specific regions throughout California. Also, \$498,896 was awarded to fund a project designed to identify species capable of parasitizing California and Arizona Spotted Lantern Fly (SLF) eggs. SLF established in Pennsylvania in 2014 and quickly became a significant pest of grape, fruit trees, and native forests. If it were to establish in California, SLF would pose a significant threat to many California crops. More information about the projects can be found [here](#). *Staff: Taylor Roschen, [troschen@cbbf.com](mailto:troschen@cbbf.com) or 916-446-4647.*

## Water

**[SB 880](#) (John Laird, D-Santa Cruz) passed out of the Senate Natural Resources and Water Committee on consent this week.** As previously reported, SB 880 would extend indefinitely the January 1, 2023 sunset of existing law authorizing those who divert 100 acre feet of water or more per year to be considered qualified to install and maintain their water diversion measurement devices if they take a course taught by the University of California Cooperative Extension, and pass a proficiency test. Farm Bureau supports. *Staff: Danny Merkley, [dmerkley@cbbf.com](mailto:dmerkley@cbbf.com) or (916) 446-4647.*

**[SB 890](#) (Jim Nielsen, R-Redding) failed to pass out of the Senate Natural Resources and Water Committee this week with a vote of 3-6.** SB 890 would have established the Water Storage and Conveyance Fund in the Department of Water Resources to complete funding for the construction of the Sites Reservoir, and to restore the capacity of the Friant -Kern Canal, the San Luis and Delta-Mendota Canal and two locations on the California Aqueduct suffering from subsidence. Senators Caballero, Dahle, Grove, Jones, Melendez, Ochoa Bogh, and Wilk, and Assemblymembers Flora, Fong, Gray, Lackey, Mathis, Nguyen, Patterson, Seyarto, and Smith were all Co-authors. Farm Bureau supported the measure. *Staff: Danny Merkley, [dmerkley@cbbf.com](mailto:dmerkley@cbbf.com) or (916) 446-4647.*

## Wildlife

**This week, the Senate Natural resources and Water Committee heard [SB 856](#) (Bill Dodd, D-Napa) a bill that would affect regulations regarding hunting of feral pigs.** The bill passed out of committee, and continues to the Appropriations Committee. Farm Bureau has concerns with portions of the bill, as introduced, and has been in communication with the author's office and fellow stakeholders to develop alternatives to address these concerns. CABB currently holds the position of "Oppose Unless Amended," and will continue to engage on this proposed law. If you have any questions, please reach out to staff. *Staff: Katie Little, [klittle@cbbf.com](mailto:klittle@cbbf.com) or (916) 446-4647.*

## APPENDIX A

### Cannabis

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#### Proposed Changes to the Existing Regulations

##### Cultivation

- Trade samples. Allow nurseries to designate trade samples.
- Harvest weight. Allow the weight that must be entered into track and trace after harvest to be the total harvest batch rather than the weight of individual plants.

##### Distribution

- Printed Certificate of Analysis. Removal of requirement to carry printed certificates of analysis during transport
- Stored cannabis goods. Allow cannabis good held for storage to be distributed directly from the storage premises
- Transport vehicles. Allow up to 3 sides of the transport vehicle to be used as part of the cage container.

##### Manufacturing

- Cannabis beverages. Remove the requirement that beverages must be in opaque bottles
- Closed loop systems. Add requirements for closed loop systems. Closed loop extraction will need to be identified on the premise diagram.
- Engineer certification. Clarify some of the requirements surrounding the engineer certification that is required prior to use of the equipment.

##### Retail

- Delivery threshold. Increase the value of cannabis goods that delivery drivers may carry and remove the requirement to have a portion of the goods be pre-designated prior to leaving the retail premises.
- Curbside pick-up. Allow storefront retailers to continue curbside pickup beyond the end of the pandemic. Precision specifically asked whether curbside authorization would continue to be renewed until such time as the regulations are approved and was informed that the DCC's intent is to continue to authorize curbside, which is currently permitted under the governor's executive order pertaining to disaster relief.
- Consumption lounges. Allow consumption lounges to sell pre-packaged nonalcoholic food and beverages provided that the local jurisdiction permits the activity.

### Cannabis Events

- Cannabis goods. Allow cannabis goods to be displayed by all participating licensees. As it was described to me, there is a current regulation pertaining to educational and informational events that permits a non-retail licensee to display cannabis and cannabis products. The newly proposed change brings into alignment the educational event regulation and the cannabis event regulation to allow any non-retail licensee who participates in an event to display cannabis and cannabis products at their booth.
- Application requirements. Removes the application requirement for licensees to participate in cannabis events to disclose the specific employees who will be attending and participating in the event.

### Testing Laboratories

- Conflicts of interest. Adds a new section that specifies the types of conflicts of interest that are prohibited and incorporates additional clarification to ensure independence of testing laboratories in the supply chain.

### Labeling, Marketing and Advertising

- Appellations of Origin. Incorporates appellations of origin portions of the regulations developed by the California Department of Agriculture that are now under the authority of the DCC.
- Bulk goods ingredient disclosure. Require bulk goods that are business-to-business transfers and business-to-business sales, to be labeled with ingredients and allergens. According to DCC staff, the goal of this proposed change is to ensure that the final product includes the full list of ingredients and that allergens are properly disclosed to consumers.

### Cannabis Products

- Inhaled cannabis products. Limit the ingredients that can be used to cannabis, cannabis concentrates, botanically derived terpenes and any ingredients that are on the FDA's list of inactive ingredients for inhalation. According to the DCC, the proposed language is modeled after Colorado.
- Prohibited products. Prohibit products that would otherwise be classified as medical devices or over the counter drugs. Examples referenced by the DCC included nasal sprays, eyedrops, and inhalers. DCC staff noted that these products are not prominent in the cannabis market.

### Application Requirements

- Application modifications. Modify the license requirements that so that applications may notify the DCC in lieu of requiring preapproval.