

Why ALL Cannabis Growers are going to WANT the New CAL-CANNA SEAL.

By Darryl Cotton (V4)

Now that Prop 64 has passed and 'recreational' cannabis is the law of the land in California, we are all faced with the responsibilities of making cannabis laws and regulations that will work for everyone. Of course this a daunting task that will take time as the rules and regulations will be constantly evolving as the system matures through use. That is a given. What both growers and government administrators need immediately is a way to bring, what has been an illegal act of growing cannabis, into the light of legal compliance. This requires there be a regulatory system that rewards and acknowledges the growers experience and dedication to cultivating cannabis as well as recognizing that under the new laws the rules and regulations are going to change as the industry matures. Together we must operate with an open and honest working relationship between those who would administer these programs and those who will work within them. Time is of the essence and those relationships need to be forged now.

The problem for the government will be getting the countless unlicensed growers to want to raise their hand and be acknowledged. This is a legitimate concern as cannabis laws can be subjective, and enforcement of these laws can be interpreted an acceptable, allowable practice while on the other hand the crops may be torn down, assets seized and the growers be given jail time. So it's no surprise that many cannabis cultivators prefer to simply remain anonymous. But for this new system to work, we must have some give and take from both sides. Government needs to carefully consider the ramifications of how the so called black market growers will react to a system that does not seem ready to accept them in a recreationally legal landscape and growers must recognize that the government will be mandated to put the unlicensed grower out of business since they compete with the very foundation of what creates revenue for the state by their regulation and taxation of a legal cannabis trade.

With the passing of Prop 215 in 1996 the train for restricting cannabis cultivation has already left the station. There are now so many growers in California that the capability of any government agency working on putting a system into place that attempts to convert an unlicensed operation into a licensed operation is a daunting task of herculean proportions. What has been proposed is that all unlicensed growers would cease operation while they go about the licensing process that requires numerous state agencies, local government and water authorities first approve of that application. Faced with these hurdles a large percentage of growers will not seek compliance and will continue to operate as they have for years thinking they will do so until such time they are forced to shut down their operations. In addition to the regulatory hurdles that must be overcome these growers do simply do not trust the system to begin with. Policymakers need to recognize that this mistrust exists and find creative ways to bring as many cannabis growers to the table as possible and realize that they have a limited window of opportunity to do this. Once the laws, rules and regulations are set that create barriers to entry and deepen mistrust of the process, the black market operations we see today will continue to exist and the enforcement actions by government agencies will continue unabated.

What I believe is desperately needed now is a transition period that creates an opportunity for the unlicensed grower to register their operation with the state, without repercussions, while they work to become permanently licensed within the state and local government's regulatory framework. What I am about to propose is a simple and straightforward solution as to how that might be done in an expedited fashion that will serve the needs of both the state and the growers who are willing to work within the law if given the chance to do so.

Before I get into presenting what I see as a very workable approach towards registration and compliance for both government and grower, I'd like to explain how this strategy evolved. First of all I don't believe there is any such thing as 'recreational' cannabis. I believe that any attempt to govern cannabis as a social recreational activity akin to alcohol consumption diminishes the importance cannabis has as a medicine to those who use it for relief of seriously debilitating health conditions. That position has been spelled out in this paper @ <http://151farmers.org/2016/10/29/why-cannabis-is-not-a-recreational-drug/>

Since I have no interest in defending anything to do with 'recreational' cannabis production or processes I concentrated on how medical cannabis could be saved in a system that is weighted to promoting a 'recreational' cannabis industry and its products. With the intent of protecting patients' rights and access to medical cannabis products, this led to the development of the Peron Act <http://151farmers.org/wp-content/uploads/2017/04/ThePeronAct.pdf> which is a simple 2 page proposal of regulating cannabis under Prop 64 in both its medical and 'recreational' forms.

I have since expanded my thinking in an attempt to find ways to create simple and practical ways of licensing ALL cannabis from its current unlicensed state since to do so under what is being proposed in this document does not take anything away from the Peron Act and medical cannabis patients' rights within a Prop 64 regulatory framework. Accordingly there are two major points that will steer this new licensing process and they are as follows:

1) It is impossible for the government to create a framework that within even a year or two would fit the needs of the industry. Instead I propose easing into the bureaucracy by LIBERALLY issuing cultivation licenses for up to a certain number of plants that can fit within a certain square footage at a given address.

As an unlicensed grower you will be coming forward knowing that the state is going to likely give you the approval to grow at that location for a period of 1 year with an optional 1 year extension as long as you complete a basic application process that will not, for the purpose of the original application, require local government approval. At the end of the 1 or 2 years on extension if the grower has not been able to acquire the local government approval they will not be licensed within the state program. However for having registered and attempting to work towards compliance they will be given priority status in registering at a location where the local government does approve of the operation.

I am patterning this new administrative agency off of the current Contractors State License Board website in that once a license is issued anyone can go online and see who owns the license, what has been reported to the state, where the business is located and who has bonded the business. To learn more go to <http://www.cslb.ca.gov/>

Now we take the CSLB model and turn it into a cannabis model with an agency I'm going to call the State Cannabis Licensing Board (SCLB). The SCLB will require that there be a Responsible Managing Owner (RMO) who would purchase from the SCLB a unique stamp which we call a CAL-CANNA Stamp/Seal. That stamp will have an identifying account number on it that positively identifies the RMO and where that cannabis was grown. Next we will have an honor system between the grower and the SCLB whereby the RMO would fill out an online form and electronically deposit what is due from that crop which is verified by an SCLB database that confirms weights and measures have been reported, verifies that third party testing for toxicity and pesticide limits have been met at which point the SCLB will issue a time/date stamped

receipt for the product which allows the merchandise to be stamped, sealed, barcoded and made available to sell their products through wholesale distribution. Having licensed wholesale distribution acts as another public/state safety net to confirm that the products have met all the conditions as set forth under the RMO agreement for 'recreational' cannabis cultivation within the SCLB guidelines.

If, through an auditing process, it is later determined that at some point the RMO has under reported their crop weights then they will, after exhausting all legal remedies as defined on the application process and on the SCLB website, that RMO would permanently forfeit their RMO and not be able to legally cultivate cannabis within the state.

When an RMO loses their license the address that had been tied to that RMO will be allowed to operate under a newly qualified RMO. If at some point that second RMO is disqualified the address will no longer be eligible to participate in CAL-CANNA cultivation.

To make this all come together and work for the state (SCLB) and the unlicensed GROWERS we need some things to happen.

- 1.1) As GROWERS when making application we will be submitting an accurate name and address to the SCLB for where our cultivation operations are currently taking place.
- 1.2) As GROWERS we will be giving an accurate accounting of the square footage and plant counts at this address.
- 1.3) As GROWERS we will be submitting our application with a CANNA-BOND that assures the SCLB that I as the grower seeking an RMO at this address have been vetted by the bonding company and the information being provided the SCLB is accurate.
- 1.4) As SCLB we will consider the application and grant it as long as the project address is not a residential parcel, not on public land or not in a school or within 1000 ft. of a school.
- 1.5) As SCLB we may request that the plant/cultivation area to building size/area be reduced so that the cultivation operation does not exceed 70% of the overall interior building space.
- 1.6) As SCLB, until January 1, 2020 we agree to only make the name and license number of the RMO available to local governments and law enforcement agencies. The RMO understands and agrees that as of January 1, 2020 they will be required to have local government approval for the license they have under their CAL-CANNA stamp. Failure to have that permission will mean the RMO license to cultivate at that address must be forfeited. Failure to return the CAL-CANNA stamp and seal and/or continue operations at that site would be a breach of the CANNA-BOND and restitution for the entire bond amount would be sought by the SCLB.

2) Keep the laws on dispensaries and who gets to have them open to the local governments and their discretion as to who gets to have a dispensary and where it goes. What does the state care anyway? You don't regulate how many stores sell beer on a given block. What you should be doing is going into those stores and seeing that the products have the CAL-CANNA seal on them. If that store does not have products with a CAL-CANNA seal you bring the full weight of the law down on that store. Keep in mind that local governments are not likely to let neighborhoods become over infested with dispensaries anyway but this regular auditing of

cannabis products will weed out the bad players who attempt to sell unlicensed products at reduced prices and greater profit margins than those retailers that play by the rules and only sell products that have been registered and have the CAL-CANNA seal on their products.

- 2.1) Any audit of merchandise in a dispensary would allow the investigating party to track the CAL-CANNA number to the SCLB data base and confirm that the weights and measures as depicted on the package as a time/date stamped barcode matched that of the information depicted on the product label. Unless expressly agreed to by the RMO within the original application process the investigating agency would only be able to see the name of the RMO and that the merchandise was properly reported within the SCLB database. After January 1, 2012 the SCLB database would make the RMO address listing available should there be need for follow up investigation.

These CAL-CANNA seals are going to be gold in the hands of those who are responsible. The state should require a Security Bond on the seals since the issuance of that bond prequalifies that RMO from a state approved insurer who has performed an economic analysis of the applicant RMO and verified the location prior to issuing that Bond.

The goal here is to get people into a system where they are self-policing and not treated as criminals. To those who have no interest in going legal as an RMO then those chips will fall eventually anyway. But in the meantime let's get those CAL-CANNA seals out there and issue them based on square footage and plant counts for a specific address.

Finally I developed the Cannabis Manifesto on behalf of Dennis Peron. I would encourage anyone reading this to please take the time to read the Manifesto and listen to the TED talk at the end of the Manifesto. It was written just days before Prop 64 was to be voted on. The sentiments expressed within that document ring as true today as they did then. Thank you to [Dennis Peron](#) and all the other courageous activists who stood up for our rights and worked tirelessly to bring compassion and common sense to cannabis law as it becomes mainstreamed. It is to you we have the opportunity we have today. It is up to all of us to not squander this opportunity and act now. The future of cannabis and our relationship with this marvelous plant depends upon it.

