

RELICENSE REDUX

CANNABIS BUSINESSES RUN UP AGAINST A RELICENSING DEADLINE

By the end of July, over 10,000 temporary cannabis business licenses across California will have expired as they have not been processed yet, and current law doesn't allow extensions. In an urgent effort to keep cannabis businesses compliant, two North Coast legislators have introduced an emergency relicensing bill called SB-67.

"This bill will protect thousands of cannabis farmers, in particular, who did the right thing and applied for and secured a state license," said co-author Senator Mike McGuire, who represents the 2nd Senate District from Marin to Del Norte counties.

Three state agencies — the California Department of Food and Agriculture (CDFA), the Bureau of Cannabis Control, and the Department of Public Health — are behind schedule on awarding the provisional and annual licenses designed to replace temporary ones. The time it would take state regulators to process them all was miscalculated.

"SB-67 will provide some short-term relief to those who have submitted their annual license applications on time and allow the various state agencies to catch up with the volume of applications that have been submitted," added co-author, Assembly Member Jim Wood from Healdsburg.

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Senator Mike McGuire, California Senate District 2

The press release on SB-67 explained that growers, distributors and retailers "will no longer be operating legally, and will be kicked into the black market."

The North Coast is home to a lot of cannabis businesses. The bill's authors are particularly concerned for their own area growers. Cannabis farmers were first in the production chain to apply for licenses, so theirs are the first ones expiring. Over 1,000 licenses from the CDFA expire in March alone.

"We're moving quickly to keep a legal, regulated market here in California from collapsing," said McGuire.

"I do believe this could create gaps in supply chain, and could be a risk to existing businesses," said Mike Hicks, President of Yolo Family Farms, who is coming up



California Department of Food and Agriculture cannabis cultivation application forms

for relicensing soon. "With farming, it is crucial to have a timeline for planting and production in order to continue revenue and stay operating."

SB-67 allows licenses to remain in effect, assuming the replacement license application has been filed. It also extends provisional licenses to July 1, 2020, and allows authorities to convert temporary licenses to provisional and annual ones.

The bill raced through the Senate Business and Professions Committee in February, with an 8-0 vote. But even with quick passage once signed by Governor Newsom, some businesses may already be operating illegally.



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