State of California

Department of Cannabis Control

California Code of Regulations, Title 4, Division 19

Notice of Proposed Rulemaking Action:

Animal Cannabis Product Standards

Notice is hereby given that the Department of Cannabis Control (Department) proposes to adopt the amended regulations described below after considering all comments, objections, and recommendations regarding the proposed action.

Public Hearing

The Department will hold a virtual public hearing on June 24, 2025, beginning at 10:00 a.m.

Attendees may participate via WebEx online meeting platform or telephone conferencing. To participate via WebEx online meeting platform, please contact Randy Allen at (916) 465-9025 or Randy.Allen@cannabis.ca.gov by 4:30 p.m. on June 23, 2025, to request a link to the meeting. A link to the meeting will also be posted on the Department's website no later than 9:00 a.m. the day of the hearing.

As a reasonable accommodation, limited in-person seating will be available in the Department Hearing Room, 2920 Kilgore Road, Rancho Cordova, CA 95670. Attendees must comply with all COVID-19 safety protocols. Please contact Randy Allen at (916) 465-9025 or Randy.Allen@cannabis.ca.gov by 4:30 p.m. on June 23, 2025, if a reasonable accommodation is necessary.

Participants will be given instructions on how to provide oral comment once they have accessed the hearing. The hearing will proceed on the dates noted above until all testimony is submitted or 12:00 p.m., whichever is later. At the hearing, any person may present oral or written statements or arguments relevant to the proposed action described in the Informative Digest. The Department requests, but does not require, that persons who make oral comments at the hearing also submit a written copy of their testimony via email.

Written Comment Period

Any interested person, or the interested person's authorized representative, may submit written comments relevant to the proposed regulatory action by mail or email to:

Department of Cannabis Control Legal Affairs Division

2920 Kilgore Road Rancho Cordova, CA 95670

E-mail: <u>publiccomment@cannabis.ca.gov</u>

The written comment period closes on **June 23, 2025**. To be considered by the Department, a comment must be received by **June 23, 2025**.

Authority

Business and Professions Code sections 26013 and 26130.

Reference

Business and Professions Code sections 26013 and 26130.

Informative Digest / Policy Statement Overview

Summary of Existing Laws and Effect of the Proposed Action

Assembly Bill (AB) 1885 (Chapter 389, Statutes of 2022) requires the Department to promulgate regulations for cannabis products intended for use on, or consumption by, animals no later than July 1, 2025. Under Business and Professions Code (BPC) section 26130(e)(1), if a cannabis product is intended for therapeutic effect or health supplementation use on, or for consumption by, an animal, the cannabis product must conform with any additional relevant standards, including, but not limited to, an alternative standardized concentration, established by the Department through regulations. Under BPC section 26130(e)(2), cannabis products may not be marketed or sold for use on, or consumption by, animals before these regulations for animal standards take effect.

In implementing AB 1885, the proposed action would define relevant terms; clarify that unless otherwise specified in law, animal cannabis products are subject to the same statutory and regulatory requirements as adult-use cannabis products; limit the types of animal cannabis products that may be manufactured; and establish an alternative standardized concentration for total THC per package of animal cannabis products.

Evaluation of Inconsistency with Federal Laws

The United States Drug Enforcement Administration under the Controlled Substances Act (21 U.S.C. §812) lists cannabis as a Schedule 1 Drug. This means that commercial cannabis activity is illegal under federal law. However, California, through the MAUCRSA and other laws, has decriminalized the cultivation, sale, and possession of cannabis goods for persons aged 21 or older and for medicinal patients.

Objectives and Anticipated Benefits of the Proposed Regulations

The proposed regulations will protect the health and safety of animals by establishing clear standards specifically tailored to govern manufacture, distribution, and sale of animal cannabis products. In general, animal cannabis products must meet the same standards as cannabis products intended for human consumption currently on the market. These standards include strict compliance with manufacturing quality control programs, and packaging, labeling, and testing requirements that will ensure animal products are not adulterated or misbranded. Restricting manufacture to edible products, orally consumed concentrates, and topical products will allow for and encourage the development of a robust and varied market for animal cannabis products while ensuring that animals are not exposed to potentially harmful forms of cannabis, such as combustible and inhalable products. Restricting animal cannabis products to not more than one milligram of total THC per package will reduce the risk of toxicosis and death from exposure to unsafe levels of THC.

Evaluation of Inconsistency/Incompatibility with Existing State Regulations

After careful evaluation, the Department has determined that the proposed changes are not inconsistent or incompatible with existing regulations.

Disclosures Regarding the Proposed Action

The Department has made the following initial determinations:

- Mandate on local agencies or school districts: None.
- Cost or savings to any state agency: The Department will incur costs of updating the track and trace system to account for animal cannabis products and increased inspection workload. The Department may realize additional revenue from increased licensing fees paid by licensees whose gross revenues increase enough to place them in a higher fee tier. Department costs would be minor and absorbable within the Department's budget. The proposed regulations are not expected to have any fiscal impact on any other state agencies.
- Cost to any local agency or school district required to be reimbursed in accordance with Government Code sections 17500 through 17630: None.
- Other nondiscretionary cost or savings imposed upon local agencies: None.
- Cost or savings in federal funding to the state: None.
- Significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states: None.

- Cost impacts on a representative private person or business: The Department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed regulations.
- Effect on housing costs: None.

Results of the Economic Impact Assessment

The Department concludes that the proposal is unlikely to eliminate any jobs, create any new businesses, or eliminate any existing businesses. The Department believes the proposal may create approximately 11 jobs and result in the expansion of businesses currently doing business in the state. As discussed above, the proposed regulations will benefit the health and welfare of domestic animals in California by ensuring that animals are not exposed to potentially harmful forms of cannabis. The proposal is not expected to affect worker safety or the state's environment.

Small Business Determination

The proposed regulations would affect approximately 5,600 businesses, approximately 97 percent of which are estimated by the Department to be small businesses. These businesses include licensed manufacturers, retailers, and distributors.

Consideration of Alternatives

In accordance with Government Code section 11346.5, subdivision (a)(13), the Department must determine that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, as effective and less burdensome to affected private persons than the proposed action, or more cost-effective to affected private persons and equally effective in implementing the statutory policies or other provisions of law.

Contact Persons

Inquiries concerning the proposed rulemaking action may be directed to:

Nicole Niermeyer
Department of Cannabis Control
2920 Kilgore Road
Rancho Cordova, CA 95670
916-465-9025
Regulations@cannabis.ca.gov

The backup contact person for these inquiries is:

Kaila Fayne
Department of Cannabis Control
2920 Kilgore Road
Rancho Cordova, CA 95670
916-251-4544
Kaila.Fayne@cannabis.ca.gov

Availability of Statement of Reasons, Text of Proposed Regulations, and Rulemaking File

The Department will make the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of the Notice of Proposed Action, the proposed text of the regulations, the Initial Statement of Reasons, and the STD. 399. Please direct requests to inspect or copy the rulemaking file to the contact person(s) listed above.

Availability of Changed or Modified Text

After considering all timely and relevant comments received, the Department may adopt the proposed regulations substantially as described in this notice. If the Department makes modifications that are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before adopting the regulations as revised. Please direct requests for copies of any modified regulations to the contact person(s) listed above. The Department will accept written comments on the modified regulations for the duration of the period of public availability.

Availability of The Final Statement of Reasons

Upon its completion, the Department will make copies of the Final Statement of Reasons available. Please direct requests for copies to the contact person(s) listed above.

Availability of Documents on the Internet

Copies of the Notice of Proposed Action, the Initial Statement or Reasons, and the text of the regulations with modifications highlighted, as well as the Final Statement of Reasons, when completed, and modified text and notices thereof, if any, may be accessed via the Department's website at https://www.cannabis.ca.gov/cannabis-laws/rulemaking/.