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Simplifying Cannabis Licensing with Combined Activities Licenses (SB 1064)

California's cannabis industry is set to undergo a significant regulatory update with the passing of Senate Bill 1064 (2024) ("SB 1064"), which introduces a new combined activities license ("CAL"). SB 1064 represents a crucial shift in California's approach to cannabis regulation, aiming to reduce barriers and help businesses navigate a less cumbersome licensing system.

Managed by the Department of Cannabis Control ("DCC"), the CAL license allows multiple cannabis-related activities to operate under a single license at one location, provided laboratory testing is not included. This innovation aims to streamline the cannabis business licensing process, reduce operational barriers, and improve compliance in the state's cannabis sector. SB 1064 makes additional changes, including:

- **DCC's Authority Over Licensing:** The DCC is tasked with overseeing CAL implementation, issuing licenses, and modifying the existing licensing system to support this change, which is expected to cost around \$12 million in initial setup.
- **Elimination of Excessive Concentration Checks:** SB 1064 removes the requirement for the DCC to consider "excessive concentration" of cannabis licenses in an area, allowing businesses to open in markets previously limited by this stipulation.
- **Data Streamlining:** The bill updates the collection process for fingerprinting and criminal history information, allowing cannabis business owners to avoid resubmitting information previously provided to the DCC.
- **Restriction on Certain Cultivation Licenses:** prohibits licensees eligible for conversion to certain cultivation licenses (type 5, 5B, and 5C) from holding a CAL license. It also prohibits the conversion of a distributor license (Type 11) to a CAL license.

Notwithstanding SB 1064, local agencies may continue to regulate cannabis land uses and require licenses and other discretionary permits which would apply in addition to the DCC licensing process.

Burke, Williams & Sorensen, LLP regularly advises clients on legal

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