

CALIFORNIA CODE OF REGULATIONS
TITLE 17. PUBLIC HEALTH
DIVISION 1. STATE DEPARTMENT OF HEALTH SERVICES
CHAPTER 5. SANITATION (ENVIRONMENTAL)
SUBCHAPTER 2.6 INDUSTRIAL HEMP

PROPOSED REGULATION TEXT

ADOPT SUBCHAPTER 2.6 INDUSTRIAL HEMP

Article 4. Registration, Authorization, and Fees for Industrial Hemp Manufacturers

Adopt Section 23200. Manufacturer Requirements.

(a) Every person who is an industrial hemp manufacturer of extract must:

- (1) Obtain a processed food registration by registering and paying fees pursuant to section 23205(a),
- (2) Obtain industrial hemp enrollment and oversight authorization pursuant to section 23210, and
- (3) Pay industrial hemp enrollment and oversight authorization fees pursuant to section 23230(b) for extract.

(b) Every person who is an industrial hemp manufacturer of human food, including but not limited to food, beverages, dietary supplements, and acidified and/or low-acid food, must:

- (1) Obtain a processed food registration for food, beverage, or dietary supplements, or obtain a cannery license for acidified and/or low-acid food, by registering and paying fees pursuant to section 23205(b),
- (2) Obtain industrial hemp enrollment and oversight authorization pursuant to section 23210, and
- (3) Pay industrial hemp enrollment and oversight authorization fees pursuant to section 23230(c) for human food.

(c) Every person who is an industrial hemp manufacturer of processed pet food must:

- (1) Obtain a processed pet food license by registering and paying fees pursuant to section 23205(c),

- (2) Obtain industrial hemp enrollment and oversight authorization pursuant to section 23210, and
- (3) Pay industrial hemp enrollment and oversight authorization fees pursuant to section 23230(c) for processed pet food.
- (d) Every person who is an industrial hemp manufacturer of cosmetics must:
 - (1) Obtain a cosmetics registration by registering and paying fees pursuant to section 23205(d).
 - (2) Obtain industrial hemp enrollment and oversight authorization pursuant to section 23210, and
 - (3) Pay industrial hemp enrollment and oversight authorization fees pursuant to section 23230(c) for cosmetics.
- (e) Every person who is an industrial hemp manufacturer of inhalable products must:
 - (1) Obtain industrial hemp enrollment and oversight authorization pursuant to section 23210, and
 - (2) Pay industrial hemp enrollment and oversight authorization fees pursuant to section 23230(c) for inhalable products.

Note: Authority cited: Sections 100275, 110065, 131000, 131050, 131051, 131052, and 131200, Health and Safety Code. Reference: Sections 111923.3 and 111923.5, Health and Safety Code.

Adopt Section 23205. Requirements for Registration.

- (a) Extract. Every person who manufactures industrial hemp extract in this state, and every person who manufactures industrial hemp extract outside this state for import into this state, must obtain and maintain a processed food registration by registering with the department, annually renewing its registration, and paying applicable nonrefundable fees pursuant to Health and Safety Code, Division 104, Part 5, Chapter 5, Article 2 (commencing with section 110460).
- (b) Human food. Every person who manufactures industrial hemp human food in this state must, according to food type, do as follows:
 - (1) For food, beverage, or dietary supplements:

(A) Obtain and maintain a processed food registration by registering with the department, annually renewing its registration, and paying applicable nonrefundable fees pursuant to Health and Safety Code, Division 104, Part 5, Chapter 5, Article 2 (commencing with section 110460), and

(B) Pay all required additional fees pursuant to Health and Safety Code, Division 104, Part 5 and Part 6.

(2) For acidified and/or low-acid food:

(A) Obtain and maintain a cannery license by registering with the department, annually renewing its registration, and paying applicable nonrefundable fees pursuant to Health and Safety Code, Division 104, Part 6, Chapter 8, Article 4 (commencing with section 112750), and

(B) Pay all required additional payments pursuant to Health and Safety Code, Division 104, Part 5 and Part 6.

(c) Processed pet food. Every person who manufactures industrial hemp processed pet food in this state must obtain and maintain a processed pet food license by registering with the department, annually renewing its registration, and paying applicable nonrefundable fees pursuant to Health and Safety Code, Division 104, Part 6, Chapter 10 (commencing with section 113025).

(d) Cosmetics. Every person who manufactures industrial hemp cosmetics in this state must obtain and maintain a cosmetics registration by registering with the department, annually renewing its registration, and paying applicable nonrefundable fees pursuant to Health and Safety Code, Division 104, Part 5, Chapter 7, Article 4 (commencing with section 111795).

Note: Authority cited: Sections 100275, 110065, 110466, 110471, 110485, 112765, 112770, 131000, 131050, 131051, 131052, and 131200, Health and Safety Code.
Reference: Sections 111922.3 and 111923.3, Health and Safety Code.

Adopt Section 23210. Requirements for Industrial Hemp Enrollment and Oversight Authorization.

Every person who is required to register with the department according to Section 23205, and every person who is an industrial hemp manufacturer of inhalable products in this state, must obtain an industrial hemp enrollment and oversight authorization and is subject to all of the following:

- (a) A new authorization application must be accompanied by full payment payable to the department of a nonrefundable authorization fee pursuant to section 23230.
- (b) A renewal authorization application must be accompanied by full payment payable to the department of a nonrefundable authorization fee pursuant to section 23230 and must be submitted annually prior to the expiration date.
- (c) An applicant that does not pay the authorization fee or paid an amount less than the appropriate authorization fee will be considered as having an incomplete application and must not manufacture products containing industrial hemp.
- (d) An applicant that does not pay the authorization fee or paid an amount less than the appropriate authorization fee must pay the appropriate fee or the balance of the appropriate fee within 30 calendar days of being notified by the department.
- (e) A separate authorization application and fee is required for each place of processing, manufacturing, packing, repacking, labeling, warehousing, or holding.
- (f) An applicant must immediately notify the department of any changes to the authorization application information.
- (g) An authorization issued is valid for one year from the date of application.
- (h) An authorization is not transferrable to any other entity, owner, address, or place.
- (i) An authorization is considered legal and valid until revoked, suspended, or until the expiration of the registration.

Note: Authority cited: Sections 100275, 110065, 131000, 131050, 131051, 131052, and 131200, Health and Safety Code. Reference: Section 111923.5, Health and Safety Code.

Adopt Section 23215. Application for Industrial Hemp Extract.

New or renewal applicants must provide all requested information on the application including:

- (a) The processed food registration form and fees pursuant to Health and Safety Code, Division 104, Part 5, Chapter 5, Article 2 (commencing with section 110460), and
- (b) The industrial hemp enrollment and oversight authorization form that correctly provides all of the following for out-of-state and in-state industrial hemp extract manufacturers:
 - (1) The state or tribal agency that registered or licensed the manufacturer, the registration/license information, and any additional applicable licenses or certifications held by the manufacturer.
 - (2) All current and proposed industrial hemp sources, including business information of industrial hemp source, location of industrial hemp source, approver information, and registration/license information.
 - (3) Extract types manufactured, packed, or held at the facility.
 - (4) Extraction methods.
 - (5) Industrial hemp enrollment and oversight authorization fees.
 - (6) Owner's signature under penalty of perjury for acknowledgments.
 - (7) Owner's printed name, title of owner, and date.
 - (8) An owner may authorize representatives and/or signatories to act on behalf of the company and bind the company. The representative information must include all of the following: names, telephone numbers, and email addresses.

Note: Authority cited: Sections 100275, 110065, 131000, 131050, 131051, 131052, and 131200, Health and Safety Code. Reference: Sections 111921, 111923.3, and 111923.5, Health and Safety Code.

Adopt Section 23220. Application for Industrial Hemp Human Food, Processed Pet Food, and Cosmetics.

New or renewal applicants must provide all requested information on the application including:

- (a) The processed food registration form and fees pursuant to Health and Safety Code, Division 104, Part 5, Chapter 5, Article 2 (commencing with section 110460) for food, beverage, and dietary supplements; the cannery license form and fees pursuant to Health and Safety Code, Division 104, Part 6, Chapter 8, Article 4 (commencing with section 112750) for acidified and/or low-acid food; the processed pet food license form and fees pursuant to Health and Safety Code, Division 104, Part 6, Chapter 10 (commencing with section 113025) for processed pet food; or the cosmetics registration form and fees pursuant to Health and Safety Code, Division 104, Part 5, Chapter 7, Article 4 (commencing with section 111795) for cosmetics; and
- (b) The industrial hemp enrollment and oversight authorization form that correctly provides all of the following:
 - (1) All products containing industrial hemp that are manufactured, packed, or held at the facility.
 - (2) All current and proposed industrial hemp sources, including business information of industrial hemp source, which must be an approved source, and registration/license information.
 - (3) Industrial hemp enrollment and oversight authorization fees.
 - (4) Owner's signature under penalty of perjury for acknowledgments.
 - (5) Owner's printed name, title of owner, and date.
 - (6) An owner may authorize representatives and/or signatories to act on behalf of the company and bind the company. The representative information must include all of the following: names, telephone numbers, and email addresses.

Note: Authority cited: Sections 100275, 110065, 131000, 131050, 131051, 131052, and 131200, Health and Safety Code. Reference: Sections 110469, 111921, 111923.3, and 111923.5, Health and Safety Code.

Adopt Section 23225. Application for Industrial Hemp Inhalable Products.

New or renewal applicants must provide all requested information on the application including the industrial hemp enrollment and oversight authorization form that correctly provides all of the following:

- (a) Type of applicant.
- (b) Previous address (if applicable).
- (c) Industrial hemp enrollment and oversight authorization number (if not new).
- (d) Name of firm.
- (e) Firm name doing business as.
- (f) Facility address.
- (g) Mailing address (if different or P.O. Box number).
- (h) Country (if other than United States).
- (i) Website (URL) (if applicable).
- (j) Type of ownership.
- (k) Owner's name or corporate name (if applicable)
- (l) State of incorporation or state of tax filing.
- (m) Owners' and officers' and board members' names and titles.
- (n) All current and proposed industrial hemp sources, including business information of industrial hemp source, which must be an approved source, and registration/license information.
- (o) All inhalable products containing industrial hemp that are manufactured, packed, or held at the facility.
- (p) Industrial hemp enrollment and oversight authorization fees.
- (q) Owner's signature under penalty of perjury for acknowledgements.
- (r) Owner's printed name, title of owner, and date.

(s) An owner may authorize representatives and/or signatories to act on behalf of the company and bind the company. The representative information must include all of the following: names, telephone numbers, and email addresses.

Note: Authority cited: Sections 100275, 110065, 131000, 131050, 131051, 131052, and 131200, Health and Safety Code. Reference: Sections 111921 and 111923.5, Health and Safety Code.

Adopt Section 23230. Fees for the Industrial Hemp Enrollment and Oversight Authorization.

(a) Calculating gross annual revenue. The applicant must calculate gross annual revenue based on the annual gross sales and revenue from manufacturing, packaging, labeling or otherwise handling products containing industrial hemp for the 12 months preceding the date of application.

(1) If a new applicant does not have prior sales and revenue, the new applicant must base gross annual revenue upon expected sales and revenue during the 12 months following the date of application.

(2) For a manufacturer that sells or transfers products containing industrial hemp in a non-arm's length transaction, the gross annual revenue for such transactions must be based on the product's fair market value if it were to be sold in an arm's length transaction at wholesale.

(3) For purposes of this section, an "arm's length transaction" means a sale entered into in good faith and for valuable consideration that reflects the fair market value in the open market between two informed and willing parties, neither under any compulsion to participate in the transaction.

(b) Fees for industrial hemp manufacturers of extract.

(1) The fee for a new or renewal authorization is indicated in the chart below and is based on gross annual revenue as described in subpart (a).

<u>INDUSTRIAL HEMP MANUFACTURERS OF EXTRACT</u>		
<u>Tier</u>	<u>Gross Annual Revenue</u>	<u>Extract</u>

<u>1</u>	<u>Less than or equal to \$100,000</u>	<u>\$2,750</u>
<u>2</u>	<u>\$100,001 to \$500,000</u>	<u>\$3,500</u>
<u>3</u>	<u>\$500,001 to \$1,500,000</u>	<u>\$5,000</u>
<u>4</u>	<u>\$1,500,001 to \$3,000,000</u>	<u>\$7,000</u>
<u>5</u>	<u>\$3,000,001 to \$5,000,000</u>	<u>\$9,500</u>
<u>6</u>	<u>\$5,000,001 to \$10,000,000</u>	<u>\$13,500</u>
<u>7</u>	<u>\$10,000,001 to \$20,000,000</u>	<u>\$18,500</u>
<u>8</u>	<u>\$20,000,001 to \$30,000,000</u>	<u>\$24,000</u>
<u>9</u>	<u>\$30,000,001 to 50,000,000</u>	<u>\$32,000</u>
<u>10</u>	<u>More than \$50,000,000</u>	<u>\$42,000</u>

(2) If also manufacturing human food, processed pet food, cosmetics, or inhalable products, the applicant must obtain authorization for each and submit the appropriate industrial hemp enrollment and oversight authorization fee(s).

(c) Fees for industrial hemp manufacturers of human food, processed pet food, cosmetics, and inhalable products.

(1) The fee for a new or renewal authorization is indicated in the chart below and is based on gross annual revenue as described in subpart (a).

INDUSTRIAL HEMP MANUFACTURERS OF HUMAN FOOD, PROCESSED PET FOOD, COSMETICS, AND INHALABLE PRODUCTS					
<u>Tier</u>	<u>Gross Annual Revenue</u>	<u>Human Food</u>	<u>Processed Pet Food</u>	<u>Cosmetics</u>	<u>Inhalable Product</u>
<u>1</u>	<u>Less than or equal to \$100,000</u>	<u>\$1,900</u>	<u>\$1,300</u>	<u>\$1,600</u>	<u>\$1,700</u>
<u>2</u>	<u>\$100,001 to \$500,000</u>	<u>\$2,800</u>	<u>\$2,000</u>	<u>\$2,400</u>	<u>\$2,600</u>
<u>3</u>	<u>\$500,001 to \$1,500,000</u>	<u>\$3,700</u>	<u>\$2,500</u>	<u>\$3,000</u>	<u>\$3,300</u>
<u>4</u>	<u>\$1,500,001 to \$3,000,000</u>	<u>\$4,700</u>	<u>\$3,000</u>	<u>\$3,600</u>	<u>\$4,000</u>
<u>5</u>	<u>\$3,000,001 to \$5,000,000</u>	<u>\$5,900</u>	<u>\$3,600</u>	<u>\$4,300</u>	<u>\$4,800</u>

<u>6</u>	<u>\$5,000,001 to \$7,500,000</u>	<u>\$7,100</u>	<u>\$4,300</u>	<u>\$5,200</u>	<u>\$5,700</u>
<u>7</u>	<u>\$7,500,001 to \$12,500,000</u>	<u>\$8,500</u>	<u>\$5,200</u>	<u>\$6,200</u>	<u>\$6,800</u>
<u>8</u>	<u>\$12,500,001 to \$17,500,000</u>	<u>\$9,900</u>	<u>\$6,200</u>	<u>\$7,400</u>	<u>\$8,100</u>
<u>9</u>	<u>\$17,500,001 to \$25,000,000</u>	<u>\$11,500</u>	<u>\$7,400</u>	<u>\$8,800</u>	<u>\$9,700</u>
<u>10</u>	<u>More than \$25,000,000</u>	<u>\$14,000</u>	<u>\$9,000</u>	<u>\$10,500</u>	<u>\$12,000</u>

(2) If manufacturing a combination of human food, processed pet food, cosmetics, or inhalable products, the applicant must obtain authorization for each and submit the appropriate industrial hemp enrollment and oversight authorization fee(s).

Note: Authority cited: Sections 100275, 110065, 131000, 131050, 131051, 131052, and 131200, Health and Safety Code. Reference: Section 111923.5, Health and Safety Code.

Adopt Section 23235. Withdrawal of Application for the Industrial Hemp Enrollment and Oversight Authorization.

- (a) The applicant may withdraw an application at any time prior to the department's issuance, denial, suspension, or revocation of registration/license.
- (b) Requests to withdraw an application must be submitted to the department in writing, dated, and signed by the applicant.
- (c) Fees for a withdrawn application are nonrefundable.
- (d) The applicant may reapply and pay a new fee following the withdrawal of an application.

Note: Authority cited: Sections 100275, 110065, 131000, 131050, 131051, 131052, and 131200, Health and Safety Code. Reference: Section 111923.5, Health and Safety Code.