

**State of California  
Office of Administrative Law**

In re:  
Department of Cannabis Control

Regulatory Action:

Title 04, California Code of Regulations

Adopt section: 15023.1

Amend sections: 15000.1 and 15000.2

**NOTICE OF APPROVAL OF EMERGENCY  
REGULATORY ACTION**

Government Code Sections 11346.1 and  
11349.6

OAL Matter Number: 2026-0527-01

OAL Matter Type: Emergency (E)

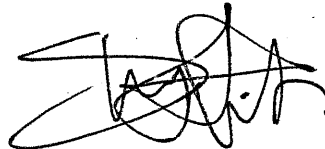
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In this emergency action pursuant to Government Code section 11346.1, the Department of Cannabis Control is adopting and amending regulations to allow for existing licensees who hold a license with both adult-use (A) and medicinal (M) designations to be issued separate A- and M-licenses.

OAL approves this emergency regulatory action pursuant to sections 11346.1 and 11349.6 of the Government Code.

This emergency regulatory action is effective on 6/4/2026 and will expire on 12/2/2026. The Certificate of Compliance for this action is due no later than 12/1/2026.

Date: June 4, 2026



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Steven J. Escobar  
Senior Attorney

Original: Clint Kellum, Director  
Copy: Kaila Fayne

For: Kenneth J. Pogue  
Director

# EMERGENCY

STD. 400 (REV. 10/2019)

For use by Secretary of State only

OAL FILE NUMBERS	NOTICE FILE NUMBER <b>Z-</b>	REGULATORY ACTION NUMBER <b>2026-0527-01</b>	EMERGENCY NUMBER <b>E</b>
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**ENDORSED - FILED**  
in the office of the Secretary of State  
of the State of California

JUN 04 2026

*2:00 PM*  
*[Signature]*

For use by Office of Administrative Law (OAL) only

NOTICE	REGULATIONS
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OFFICE OF ADMIN. LAW  
2026 MAY 27 AM 10:23

AGENCY WITH RULEMAKING AUTHORITY  
Department of Cannabis Control

AGENCY FILE NUMBER (If any)

### A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE	
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON		TELEPHONE NUMBER	FAX NUMBER (Optional)
<b>OAL USE ONLY</b>		ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE

### B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Modifications to A and M Designation	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT 15023.1
	AMEND 15000.1, 15000.2
TITLE(S) 4	REPEAL

3. TYPE OF FILING

<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input checked="" type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input type="checkbox"/> Other (Specify) _____	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input checked="" type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> §100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify) _____
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6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Other (Specify) _____		

7. CONTACT PERSON Kaila Fayne	TELEPHONE NUMBER (916) 465-9025	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) Regulations@cannabis.ca.gov
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE Kellum, Clint@Cannabis	DATE 5/26/2026
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TYPED NAME AND TITLE OF SIGNATORY  
Clint Kellum, Director

For use by Office of Administrative Law (OAL) only

**ENDORSED APPROVED**

JUN 04 2026

Office of Administrative Law

**Department of Cannabis Control**  
**Medicinal and Adult-Use Commercial Cannabis Regulations**  
**California Code of Regulations, Title 4, Division 19**  
**Text of Emergency Regulations**  
**Modifications to A and M Designation**

**Chapter 1. All Licensees**

**Article 1. Division Definitions and General Requirements**

**§15000.1. General Requirements.**

- (a) Every person who conducts commercial cannabis activity shall obtain and maintain a valid license from the Department for each separate premises at which commercial cannabis activity is conducted.
- (b) Commercial cannabis activity shall only be conducted between licensees. Licensed retailers and licensed microbusinesses authorized to engage in retail sales may conduct commercial cannabis activity with customers or nonprofits in accordance with this division.
- (c) The licensee shall only conduct commercial cannabis activities authorized by the license and on the premises licensed for the activity.
- (d) All transfers of cannabis and cannabis product shall be conducted by a licensed distributor.
- (e) Licenses are issued for a specific premises and to a specific person. For purposes of this division, when separate A and M licenses are held by one entity or two related entities having the same ownership and on the same premises, they shall be considered to be one licensee for compliance and enforcement purposes. ~~shall not be transferable or assignable to another person or premises, except as provided in section 26050.2 of the Business and Professions Code. In the event of the sale or other transfer of the a commercial cannabis business, including changes in ownership, shall be made in accordance with section 15023.~~
- (f) Applicants and licensees shall use their legal business name on all documents related to commercial cannabis activity.

Authority cited: Section 26013, Business and Professions Code. Reference: Sections 26012, 26053, 26057 and 26070, Business and Professions Code.

**§15000.2. A- and M-Designations and Licenses.**

- (a) Licensees may conduct business with other licensees irrespective of the A-designation or M-designation on their licenses.

(b) Licensees authorized to engage in retail activities may hold separate A and M licenses for the same premises under separate business entities if the following criteria are met:

(1) The businesses share the same individual owners and designated responsible party.

(2) All cannabis goods are physically separated according to the A or M license they belong to and distinguished in inventory and tracking records.

(3) All business records are maintained separately for each license and clearly indicate whether they are applicable to the A or M license.

(4) The separate business entities shall be jointly and severally liable for all obligations, debts, and violations incurred under either license.

(b)(c) Notwithstanding subsection (a), licensees ~~Licensees~~ authorized to engage in distribution shall only transport and sell cannabis goods designated as "For Medical Use Only" to M-designated retailers or M-designated microbusinesses authorized to engage in retail sales.

(e)(d) Licensees authorized to engage in retail sales shall only sell cannabis goods designated as "For Medical Use Only" to medicinal customers.

Authority cited: Section 26013, Business and Professions Code. Reference: Sections 26001, 26013, 26050 and 26053, Business and Professions Code.

### **Article 3. Licensing**

#### **§15023.1. Modification to Separate A and M Licenses for Licensees Authorized to Engage in Retail.**

(a) Notwithstanding any other section of this division, a licensee authorized to engage in retail activities with a combined A- and M-designated license may modify their jointly designated license to an A-license and receive a new M-license.

(b) To request a modification pursuant to this section, licensees authorized to engage in retail must submit the following information to the Department at [licensechange@cannabis.ca.gov](mailto:licensechange@cannabis.ca.gov):

(1) The existing A- and M-designated license they intend to separate.

(2) The name under which the M-license will be listed and the name of the existing Designated Responsible Party submitting the request.

(3) Business formation documents that demonstrate the requirements of subsection (b) of section 15000.2.

(4) The licensee's federal employer identification number.

(5) The licensee's valid seller's permit number issued by the California Department of Tax and Fee Administration.

(c) The Department shall review requests submitted pursuant to subsection (b) for compliance with those provisions as soon as possible, but no later than five (5) business days after receipt of the request. If the licensee satisfies the requirements of subsection (b), the Department will change the existing A- and M-designated license to a single A-license and issue a new M-license to the licensee. If the licensee does not satisfy the requirements of subsection (b), the Department shall send written notification to the licensee of all deficiencies.

(d) Licensees that are approved for the modification shall comply with the following conditions:

(1) The licensee shall maintain all inventory held at the time of the designation change, and conduct all sales of such inventory, under the existing track and trace account for the A-License.

(2) The licensee shall pay the applicable annual license fee for the M-license prior to transferring inventory to the M-license.

(3) The licensee shall comply with the requirements of section 15000.2.

(4) The licensee shall operate under the new M-license in compliance with local regulations and ordinances.

(e) Failure to comply with this section is grounds for suspension or revocation of both licenses in accordance with title 4, California Code of Regulations, division 19, chapter 12.

(f) Licensees that have been issued a new M-license shall have no license fee due for the license until the renewal period. At each subsequent renewal, the licensee must pay the Department the applicable license fee as required by section 15014 or 15014.1.

Authority cited: Sections 26012 and 26013, Business and Professions Code. Reference: Sections 26001, 26013, 26050 and 26053, Business and Professions Code.