



**This bill** updates the requirement under the DCC UI program that a cannabis plant have a UI attached to the base and instead authorizes the UI to be attached at the base of each plant, in close proximity to each plant, as determined by DCC or in a manner as otherwise required by regulation.

**FISCAL EFFECT:** Unknown. This bill is keyed fiscal by the legislative counsel.

**COMMENTS:**

1. **Purpose.** CannaCraft, Inc. is the sponsor of this bill. According to the author, “Existing law requires the state to establish a unique identification program for cannabis and cannabis products to ensure that the cannabis and subsequent products are tracked from seed to sale...this statutory requirement creates unnecessary labor and operational costs for cannabis cultivators, as well as millions of pounds of needless plastic waste that cannot be recycled every year. According to data provided by the Department of Cannabis Control, 43 million plant tags were issued to licensed cultivators and microbusinesses in 2022 for a total cost to the state of \$15 million. This does not include the millions of pounds of ancillary plastic waste used in the plant tagging process including zip ties, the packaging the tags and zip ties are shipped in, and the garbage bags used for disposing of them.

Equally important, the individual plastic plant tags are completely ineffective in preventing diversion. Cannabis plants cannot be diverted until they are harvested. Yet, the plant tag is only on the plant while the plant is in the ground. Upon harvest, all individual plant tags are discarded, and the harvest batch is assigned a single “package tag” in the track and trace system.”

2. **Background.**

*Cannabis Regulations and Cannabis Consumption.* Shortly following the passage of Medical Marijuana Regulation and Safety Act (later renamed to the Medical Cannabis Regulation and Safety Act in November 2016, California voters passed Proposition 64, the “Control, Regulate and Tax Adult Use of Marijuana Act” (Prop 64), which decriminalized and legalized adult-use cannabis. Less than a year later in June 2017, the California State Legislature passed a budget trailer bill, SB 94 (Committee on Budget and Fiscal Review, Chapter 27, Statutes of 2017), that integrated MCRSA with Prop 64 to create the Medical and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), the current regulatory structure for both medicinal and adult-use cannabis.

In 2020, Governor Newsom proposed consolidation of the three licensing and regulatory programs within separate state agencies to form a single department with a goal of streamlining and simplifying access to licensing and regulatory oversight of cannabis. In 2021; DCC was formally established with both licensing, regulatory and enforcement authority.

DCC was designed to centralize and align critical licensing, compliance and enforcement responsibilities to help build a sustainable and successful legal cannabis market by creating a single point of contact for cannabis applicant, licensees and local governments. The goal was to ultimately simplify and centralize

state regulatory efforts; improve coordination, including enforcement; reduce barriers to participation in the legal market; and incentivize greater local participation.

The track and trace program and subsequent requirements for identification of cannabis products are part of the foundation of Prop 64, and the implementation of MAUCURSA. The California Cannabis Track-and-Trace system is the program used statewide to record the inventory and movement of cannabis and cannabis products through the commercial cannabis supply chain from cultivation to sale.

The DCC was required to establish a UI program for cannabis and cannabis plants during a cultivation period. As part of that process, each plant is required to be assigned a “Unique identifier” or “UI” which is an alphanumeric code or designation used for reference to a specific plant on a licensed premises and any cannabis or cannabis product derived or manufactured from that plant. The UI was required to be issued for each plant and attached at the base of each plant. The UI is then required to be included into the track and trace system. Information provided to the author, indicated that 43 million plant tags were issued to licensed cultivators and microbusinesses in 2022 for a total cost to the state of \$15 million. This bill would provide increased efficiency to DCC operations and allow for updates to the UI program to allow the UI to be placed in close proximity to each plant. This may help reduce the number of plastic tags required and reduce expenditures. Currently, the DCC contracts with METRC to supply the plastic tags for the UI program.

- 3. Arguments in Support.** According to the California Cannabis Industry Association, “Single-use plant tags do nothing to prevent diversion. In addition to the plastic plant tag, each cannabis plant is also assigned a digital plant tag in the track and trace system. Digital plant tagging is currently used by traditional farmers and has been recognized as an effective method by the California Farm Bureau as well as the U.S. Department of Agriculture, in providing the same level of transparency and reported data on the number of plants in the ground at any given time, as plastic ones. Requiring both a digital and plastic plant tag is unnecessary and does nothing to enhance the integrity of the state’s track and trace program... By eliminating the individual plastic plant tag requirement, while maintaining digital plant tags, SB 622 preserves the integrity of the track and trace system and eliminates an estimated quarter million pounds of single use plastic waste from landfills each year.

California NORML writes in support, “The existing plant tag rules will generate enormous amounts of plastic waste. It’s estimated that millions of disposable plastic tags would be needed each year to serve the state’s legal gardens. At a time when California is rightly trying to reduce plastic waste, this is a wrong-headed policy. There are better ways of discouraging diversion from legal gardens. SB 622 would allow the use of digital tags instead of plastic tags, providing the same level of security while eliminating plastic waste. California needs to eliminate costly, unnecessary and wasteful regulations that hamper legal producers.”

Kiva Confections writes in support, “SB 622 replaces the individual plastic plant tagging with a digital plant tag, which provides the same level of transparency into the number of plants in the ground at any given time. Digital plant tagging is currently used by traditional farmers and has been recognized as an effective

alternative by the California Farm Bureau as well as the U.S. Department of Agriculture.

Good Farmers Good Neighbors state that “SB 622 will continue to enhance our region’s commitment and practice to be “*Best in Class*” as it relates to environmental stewardship and conservation. NOT requiring cannabis farmers to store thousands of pounds of plastic tags and zip ties, allocate hundreds of staff hours and incur hundreds of thousands of dollars in direct costs will allow us to focus on our core mission to grow and harvest a quality crop with the highest standards of sustainable farming. The passage of SB 622 will help farmers obtain *USDA Organic Certification* when cannabis is federally legal.”

National Stewardship Action Council, California Product Stewardship Council, and Environmental Working Group write in support and note, “Single-use plant tags generate millions of pounds of plastic waste and result in unnecessary labor and operational costs for licensed cultivators. According to data provided by the Department of Cannabis Control, 43 million plant tags were issued to licensed cultivators and microbusinesses in 2022 for a total cost to the state of \$15 million. This does not include the millions of pounds of ancillary plastic waste from the plant tagging process including zip ties, the packaging the tags and zip ties are shipped in, and the garbage bags used for disposing them. By eliminating the individual plastic plant tag requirement, while maintaining digital plant tags, SB 622 preserves the integrity of the track and trace system and eliminates an estimated quarter million pounds of single use plastic waste from landfills each year.

According to Origins Council, “In this context, requirements to tag every plant impose substantial costs that divert time and resources from meaningful business and compliance tasks. For a half-acre farm, we estimate it typically requires a crew of five people 3-4 days to tag all plants within a licensed cultivation area. These requirements also generate significant environmental impact: we estimate that a single 10,000 square foot cultivator utilizing light deprivation generates about 30 pounds of plastic tag waste per year. The existing requirement to physically tag each cannabis plant is wasteful, redundant, and imposes unnecessary costs on both the state and licensed cannabis operators.”

4. **Related Legislation.** AB 2555 (Cooley of 2018) would have defined “immature cannabis plant” under the MAUCRSA and clarified the use of a UI for cannabis plants. (Status: *This bill failed passage on the Senate Floor*)

## **SUPPORT AND OPPOSITION:**

### Support:

California Cannabis Industry Association  
California Norml  
California Product Stewardship Council  
Environmental Working Group  
Ethical Data Alliance  
Good Farmers Good Neighbors

Kiva Confections  
National Stewardship Action Council  
Origins Council

Opposition:

None received

**-- END --**