

POLICY MEMORANDUM

Date: June 8, 2026

From: Al Romero-Gibu, Cannabis Manager
Fiona Mattson, Program Manager

Re: Federal Cannabis Rescheduling Permit Alignment Policy

On April 28, 2026, the United States Drug Enforcement Administration (“DEA”) issued an order which rescheduled medical cannabis from Schedule I to Schedule III under the federal Controlled Substances Act. The DEA also established a limited 60-day expedited registration process that is now being implemented for qualifying medical cannabis operators to obtain their federal designation. Subsequently, on June 5, 2026, the Department of Cannabis Control (“DCC”) adopted emergency regulations modifying their licensing regulations to allow businesses to maintain separate medicinal and adult-use licenses.

California is a dual-licensing state requiring both a state license from the DCC and a permit from the City’s Office of Cannabis Management (“OCM”). The City intends to align with the DCC’s adopted framework, with the goal of streamlining compliance with all local ordinances and regulations and minimizing conflicting requirements and administrative confusions.

OCM will implement this alignment by allowing Business Operating Permit holders to request a permit modification to:

1. Include a designation recognizing the federal rescheduling of medicinal cannabis; and,
2. Allow the operation of a separate associated business entity for medicinal cannabis, using a form located on the City’s website and paying the applicable permit modification fee. Any additional requirements will be detailed in the form provided by the City.

The decision to pursue registration, licensure, or authorization with the DEA is solely the responsibility of the permit holder. The City is not advising permit holders on whether pursuing federal registration is appropriate, necessary, or beneficial for their operations, nor does the City make any determination regarding eligibility for federal approval. Permit holders are encouraged to consult with their legal counsel and business advisors regarding any federal registration, licensure considerations, or operational changes associated with such pursuit.

Please note this policy memorandum may be updated based on new regulatory guidance issued by the various agencies involved in the rescheduling.