

DISTRIBUTION

Cannabis Business Operating Permit NEW Application Step-by-Step Checklist

The City of Sacramento currently allows cannabis distribution in specific zones, subject to the Sacramento City Code (SCC) under Title 5 and Title 17. This step-by-step checklist provides guidance for submitting a new application for a cannabis distribution business operating permit (BOP).

1. _____ **Find a Location***

Zoned for cannabis distribution. Zones include:

- General Commercial (C2) – under 6,400 sq.ft
- Light Industrial (M-1 and M-1S)
- Manufacturing Industrial Park (MIP)
- Heavy Commercial (C4)
- Heavy Industrial (M-2 and M-2S)
- Manufacturing Research and Development (MRD)

To check a property address and view the zones located within the City, please utilize this link [here](#).

***Note:** Under State law, cannabis businesses are required to have 600-foot radius buffer zone from schools. In addition, SCC section 17.228.900 requires a 600-foot buffer from neighborhood and community parks. Applications with proposed sites that are within 600 feet of a neighborhood and community parks will be reviewed by the Planning and Design Commission.

2. _____ **Apply for a Conditional Use Permit (CUP) – Planning Division**

Obtain a Conditional Use Permit (CUP) for production or distribution by submitting an application through the Planning Division's [online portal](#). To check if a property already has an approved CUP, please utilize this link [here](#).

Once a complete CUP application has been submitted, the application will receive a file number (Z file or P file) that can be used to submit the Business Operating Permit.

3. _____ **Apply for Building Permits – Building Department**

- Obtain a Certificate of Occupancy specific to the cannabis activity
- All Building Department applications must be submitted online via the Building Department's [online portal](#). The Building Department's public counters are open by [appointment only](#).

4. _____ **Apply for a Business Operating Permit (BOP) – Office of Cannabis Management**

The City of Sacramento offers five types of distribution permits:

- **D1** – Distribution permit with annual gross receipts of up to \$5 million
- **D2** – Distribution permit with annual gross receipts of up to \$20 million
- **D3** – Distribution permit with annual gross receipts of over \$20 million
- **Type S (self-distribution)** – Add-on distribution permit for *small manufacturers* ONLY
- **Type T (transport-only)** – Allows for the movement of cannabis goods through the supply chain without storing, collecting taxes, or arranging for testing. A CUP for this permit type is not required because the permit does not allow for the storage of cannabis.

A BOP application may be submitted with the Z file or P file number and the required documentation through the [OCM's online permitting portal](#).

The application is only valid for 180 days. It will be deemed “Abandoned” if the application is not approved and the extension fee of \$500 and form is not submitted before 180 days.

Documentation *required* for the BOP application includes:

_____ **Z or P Number (CUP Application #) or Record of Decision (ROD)**

_____ **Cannabis Business Owner & Interested Parties List** – form link [here](#)

A breakdown of the 100% ownership of the business. This includes the name(s), title(s) address(es), phone number(s), email address, and number of ownership interest of ALL owners.

_____ **Live Scan (Background Check)** – link [here](#)

Live scan (background) is required for individuals with aggregate ownership interest of 20% or more and/or officers, members of the board of directors, limited liability company managers, and other persons with similar responsibilities.

_____ **Business Structure Documentation**

A description of the statutory entity or business form that will serve as the legal structure for the applicant and a copy of its formation and organizing documents, including, but not limited to, articles of incorporation, certificate of amendment, statement of information, articles of association, bylaws, partnership agreement, operating agreement, and fictitious business name statement.

- **Limited Partnership (LP)**

_____ Statement of Information*

_____ Articles of Association

_____ Partnership Agreement
(Signed)

_____ DBA Filing (if applicable)

- **Limited Liability Company (LLC)**

_____ Statement of Information* _____ Articles of Organization
_____ Bylaws/Operating Agreement _____ DBA Filing (if applicable)
(Signed)

- **Corporations (Inc.)**

_____ Statement of Information* _____ Articles of Incorporation
_____ Bylaws/Operating Agreement _____ DBA Filing (if applicable)
(Signed)

***Note:** Statement of Information (SOI) must be the most current SOI and less than two years old

_____ **Business Plan**

A detailed plan describing how the cannabis business will operate in accordance with SCC, state law, and other applicable regulations. The plan must include standard operating procedures along with cash handling, transportation of cannabis and cannabis products to and from the premises, product inventory controls, financial management, and California Cannabis Track and Trace system procedures that are specific to the business.

_____ **Budget**

A copy of the applicant’s most recent annual budget for operations. This includes the business name and itemized expenses and projected income for the current year. This can also include projected years.

_____ **Owner’s Statement of Consent** – form link [here](#)

Written consent of the owner or landlord of the proposed site to operate a cannabis business, specifying the street address and parcel number. This document needs to be completed, signed, and notarized.

_____ **Conditional Use Permit**

A copy of the Record of Decision from the Planning Department

_____ **Security and Lighting Plan**

A detailed security plan outlining the measures taken to ensure the safety of persons and property at the business site with a detailed lighting plan showing the existing and proposed exterior and interior lights that will provide adequate security lighting. This document must be prepared by a qualified professional (PPO #, ACO#).

_____ **Floor Plan**

A scaled floor plan for each level of each building that makes up the business site, including the entrances, exits, walls, and operating areas. The floor plan must be prepared by a licensed civil engineer or architect.

_____ **Odor Control Plan**

A detailed plan describing the air treatment system or other methods that will be implemented to prevent cannabis odors from being detected outside the buildings on the business site.

_____ **Certificate of Liability Insurance**

A copy of the certificate of liability insurance listing the business name and premises address with the minimum coverage requirements. For distribution, the minimum coverage is \$2,000,000 plus \$1,000,000 for each loss.

_____ **Certificate of Occupancy**

A copy of the site's Certificate of Occupancy (CofO) specific to the business type applied for. If tenant improvements are in progress, provide the building permit number (#COM) and a timeline of when the CofO will be obtained.

_____ **Driver and Vehicle Information Verification Form** – link [here](#)

A completed and signed form certifying that all **distribution** drivers have valid driver's licenses and insurance coverage, and all vehicles have the proper registration and insurance. If vehicle is company-owned, applicant must submit a copy of the registration and proof of auto insurance (if not covered under the business' general liability insurance) for **ALL** vehicles that will be used to transport cannabis and cannabis products.

_____ **Vehicle Registration**

A copy of the current vehicle registration(s) listing applicant or business as owner or lessee for **distribution** vehicle(s).

_____ **Vehicle Insurance**

A copy of the current vehicle insurance coverage for vehicles(s) not covered under the business's general commercial liability insurance for **distribution** vehicle(s).

5. _____ **Pay BOP Application Fee – Office of Cannabis Management**

In order for OCM to begin reviewing the application, the application must be **both** submitted and paid for. The application fee is waived for CORE businesses (Classifications 1, 2, 3, and 5) and Veterans. The application fees are non-refundable and can be found on page 7 of this document.

6. **Final Walk-through – Office of Cannabis Management**

After the Certificate of Occupancy (CofO) has been issued, contact OCM to schedule a BOP walk-through at cannabis@cityofsacramento.org. It is important to note that a walk-through will not be scheduled until the location has been issued a CofO and a complete application with all the required documents along with a fee payment. Walk-throughs are only scheduled on Wednesdays and are conducted by OCM, Sacramento Police Department, and Code Enforcement. To help you prepare, please review the BOP walk-through checklist found [here](#) to ensure the requirements are in place and ready for evaluation.

7. **Business Operating Tax – Revenue Division**

When the business has completed the final walk-through, please apply online to submit the Business Operations Tax Online Application – link [here](#)

8. **State License – Department of Cannabis Control** – link [here](#)

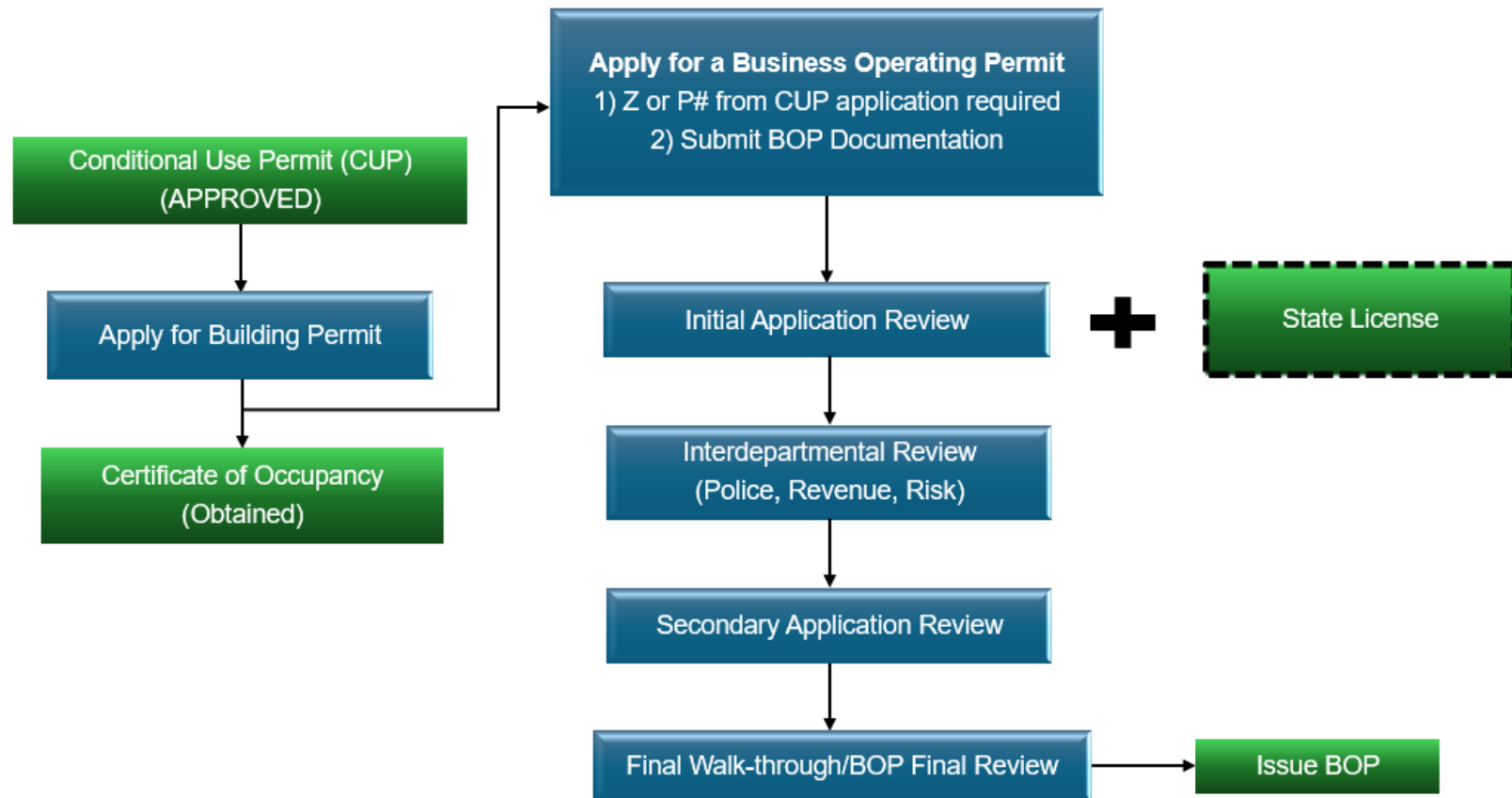
Applying for a State license from the Department of Cannabis Control may take place before Step 3. It is best to take your tenant improvement schedule into consideration during this process to ensure the business has a valid State license as the application goes through the BOP final review and/or to start operating your cannabis business.

Other Non-City Requirements

CEQA Compliance

If the City has determined that the project is exempt from CEQA review, applicants can obtain from their planner a completed Notice of Exemption (NOE). The NOE must be filed with these agencies: 1) Sacramento County Clerk, and 2) the State Office of Planning and Research (OPR). The 2024 fee for the County Clerk is \$50.00. There is no fee for filing with OPR. The applicant must file the NOE in order to obtain a date-stamped copy of the NOE required by the Department of Cannabis Control to apply for a State license.

Business Operating Permit (BOP) Process Flow



Business Operating Permit Fees

Permit Type	BOP Fee New	BOP Fee Renewal
Cultivation up to 5,000 sq. ft	\$ 9,700	\$ 8,570
Cultivation up to 10,000 sq. ft	\$ 20,210	\$ 17,840
Cultivation up to 22,000 sq. ft	\$ 28,910	\$ 25,300
Nursery	\$ 9,700	\$ 8,570
Dispensary	\$ 23,610	\$ 20,800
Dispensary - Delivery Only	\$ 23,610	\$ 20,800
Dispensary - Delivery Only - Less than \$500k	\$ 9,760	\$ 8,580
Distribution Center up to \$5 million	\$ 9,200	\$ 8,100
Distribution Center up to \$20 million	\$ 19,000	\$ 17,300
Distribution Center over \$20 million	\$ 33,600	\$ 30,400
Distribution Service - Transport Only *	\$ 5,530	\$ 4,850
Manufacture Type 1 - (Class A) - up to \$100k *	\$ 4,440	\$ 3,700
Manufacture Type 1 - (Class B) - up to \$1 million	\$ 8,880	\$ 8,400
Manufacture Type 1 - (Class C) - up to \$3 million	\$ 17,660	\$ 15,500
Manufacture Type 1 - (Class D) - over \$3 million	\$ 30,900	\$ 25,625
Manufacture N or P (Class A) - up to \$100k *	\$ 2,590	\$ 2,290
Manufacture N or P (Class B) - up to \$1 million	\$ 7,670	\$ 6,750
Manufacture N or P (Class C) - up to \$3 million	\$ 16,920	\$ 14,875
Manufacture N or P (Class D) - over \$3 million	\$ 28,410	\$ 23,400
Microbusiness - (3) Manufacturing, Retail, Distribution, Cultivation	\$ 36,800	\$ 35,100
Testing Lab *	\$ 14,270	\$ 12,570

***Note:** CUP Exempt

Other Fees	
BOP Modification Fee – Permitted Businesses ONLY	\$1,000
Relocation Fee – Permitted Businesses ONLY	\$1,000
BOP Application Modification – Changes in business structure, ownership, management	\$ 250
BOP Application Modification – Relocations	\$ 500
Zoning Review Fee – CUP-exempt applications	\$291.60
BOP Renewal Late Penalty Fee	10% of Renewal Fee