

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

A microbusiness is a vertically integrated cannabis business in which at *least three* of the four activities take place in one facility: cultivation with up to 10,000 sq.ft. of canopy, non-volatile manufacturing, retail (storefront and delivery-only dispensary), and distribution. The City of Sacramento currently allows cannabis microbusinesses 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 microbusiness business operating permit (BOP).

1. \_\_\_\_\_ **Find a Location\***

Zoned for cannabis microbusiness. Zones include:

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

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 and retail (if adding a delivery) 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 activities
- 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**

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  
(Signed)

\_\_\_\_\_ DBA Filing (if applicable)

• **Corporations (Inc.)**

\_\_\_\_\_ Statement of Information\*

\_\_\_\_\_ Articles of Incorporation

\_\_\_\_\_ Bylaws/Operating Agreement  
(Signed)

\_\_\_\_\_ DBA Filing (if applicable)

**\*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.

\_\_\_\_\_ **Energy Efficiency Plan**

Documentation that the applicant has contacted SMUD Strategic Accounts at [cannabisoperations@smud.org](mailto:cannabisoperations@smud.org) or (916) 732-7682 for help finding the best way to provide reliable and efficient energy solutions for the business site. The applicant must provide an email with the date SMUD was contacted.

\_\_\_\_\_ **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 microbusinesses *without* a distribution activity, the minimum coverage is \$1,000,000. For microbusinesses *with* a distribution activity, 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.

**Additional documentation *required* for the BOP application (if applicable) includes:**

\_\_\_\_\_ **Extraction Plan (Non-Volatile) – *Manufacturing Activity Only***

A detailed plan of the volatile and/or non-volatile extraction processes including the types of extraction equipment and solvents used.

\_\_\_\_\_ **Zoning Review (I&R) – *Manufacturing Activity Only***

Small manufacturers with gross receipts of less than \$100,000, are exempt from Conditional Use Permits (CUPs); however, this permit type remains subject to zoning review. When an application for a BOP is submitted for this permit type, the application will be routed to the Planning Division for a zoning review.

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

A completed and signed form certifying that all ***distribution and/or delivery only*** 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 – *Distribution Activity Only***

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

\_\_\_\_\_ **Vehicle Insurance – *Distribution Activity Only***

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 8 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](mailto: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.

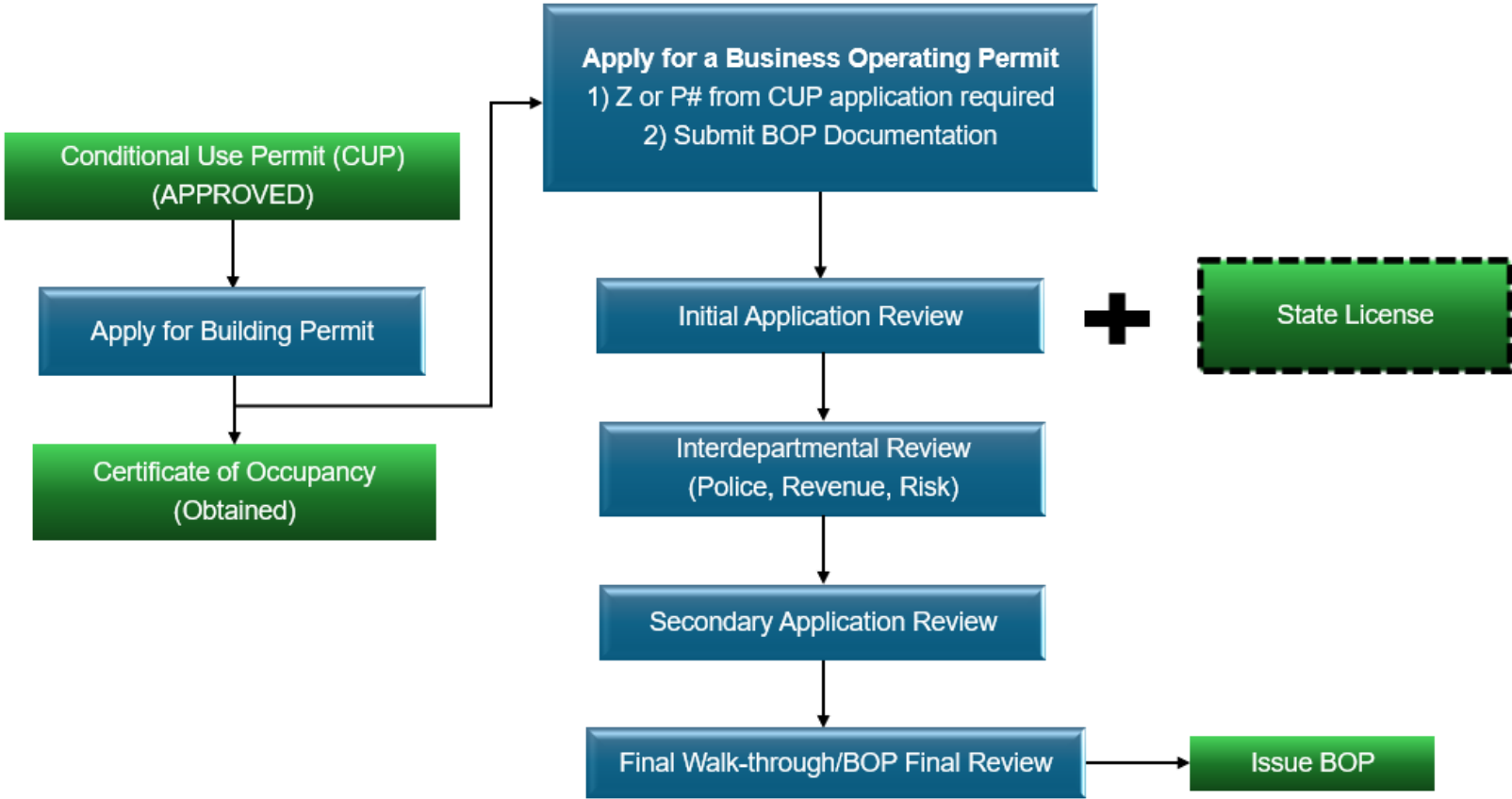
### **Sacramento County Environmental Department**

Existing State statute requires any business in Sacramento County that handles or generates certain quantities of hazardous waste to register with and obtain a permit from the Sacramento County Environmental Department. More information can be found [here](#).

### **Sac Metro Air District**

The Sac Metro Air District regulates cannabis-related manufacturing equipment, air pollution control devices, and onsite power generation. This includes onsite power generation equipment such as microturbines or generators, solvent-based cannabis extraction, cleaning processes that use boilers, and cannabis processing that produces dust from activities like grinding, milling, and cutting. Additionally, it covers air pollution control devices designed to reduce dust or odor, such as baghouses and cartridge filters. For any questions about which air quality regulations apply to your operation, contact the Sac Metro Air District at (279) 207-1122 or [permitting@airquality.org](mailto:permitting@airquality.org).

# 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<br>Renewal Fee |