

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

There are 30 permitted storefront dispensaries in the City of Sacramento. In November 2020, City Council approved the addition of 10 new permits exclusive to the participants of Cannabis Opportunity Reinvestment and Equity (CORE) Program. At this time, applications for the 10 new storefront dispensary permits will *only* be accepted from the 10 highest scoring participants in the request for qualifications process that occurred in 2021. Cannabis dispensaries are allowed 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 storefront dispensary business operating permit (BOP).

1. **Find a Location***

Zoned for cannabis dispensaries. Zones include:

- General Commercial (C2)
- Light Industrial (M-1 and M-1S)
- Shopping Center (SC)
- Heavy Commercial (C4)
- Heavy Industrial (M-2 and M-2S)

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 cannabis dispensary/retail 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**

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.

***Note:** In the business plan, employee handbook, bylaws, and/or operating agreement, Cannabis Opportunity Reinvestment Equity (CORE) Program Request for Qualifications (RFQ) applicants must include an implementation plan and timeline for each of the submitted Statement of Qualifications (SOQ) proposals.

_____ **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 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 storefront dispensaries, the minimum coverage is \$1,000,000.

_____ **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 delivery drivers have valid driver's licenses and insurance coverage, and all vehicles have the proper registration and insurance. *This requirement is only for storefront dispensaries with a delivery add-on.* 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.

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](#)

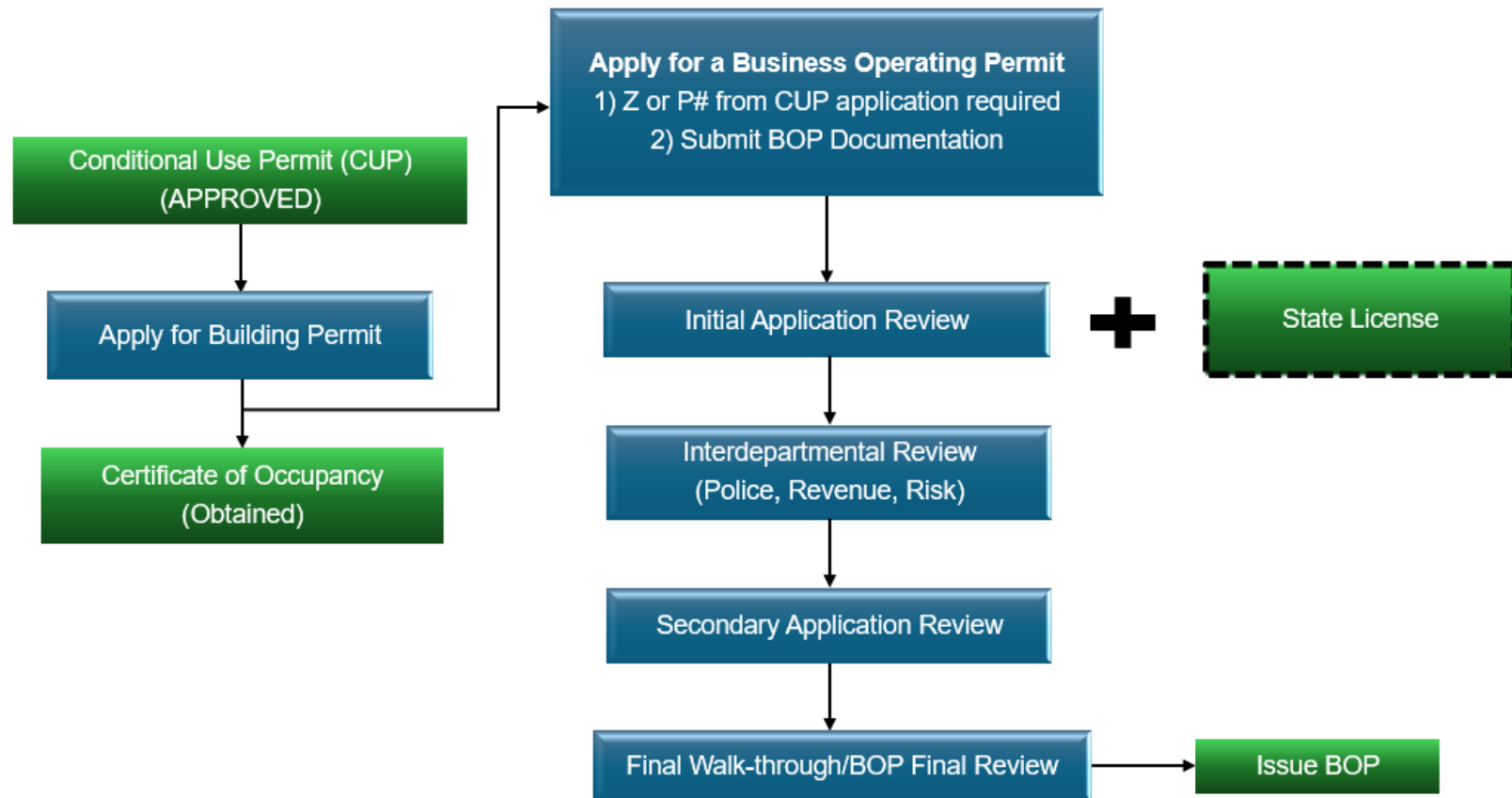
Applying for a State license from the Department of Cannabis Control may take place before Step 3. It is best to take your tenant improvement schedule into consideration during this process to ensure the business has a valid State license as the application goes through the BOP final review and/or to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