



# CANNABIS VIRTUAL STAKEHOLDER MEETING

*June 3, 2020*



# PERMITS UPDATE

## CONDITIONAL USE PERMITS

APPROVED - 286

## BUSINESS OPERATING PERMITS

TOTAL APPLICATIONS RECEIVED TO DATE - 547

ISSUED – 148 (137 OPERATIONAL, 11 NON-OP)

ACTIVE/IN PROCESS – 240

DENIED – 23


INACTIVE/WITHDRAWN - 136





# UPDATES RELATED TO COVID-19

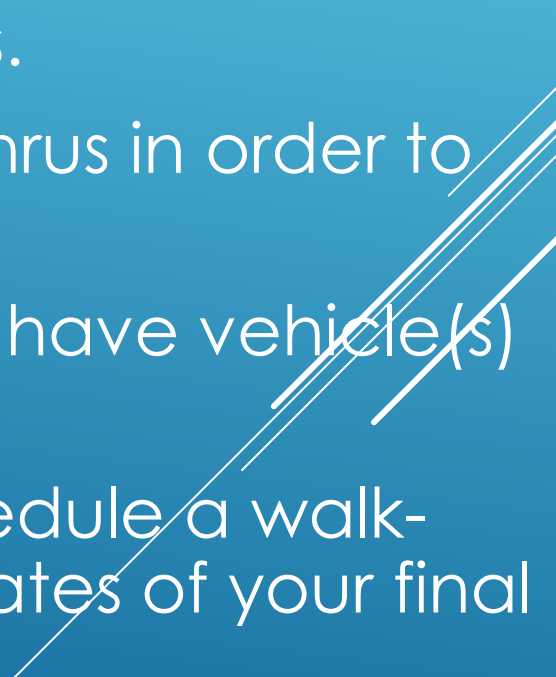
## ▶ Cannabis-related Personnel/Operations

- ▶ OCM staff telecommuting until further notice. The best way to reach us promptly is via email at [cannabis@cityofsacramento.org](mailto:cannabis@cityofsacramento.org)
  - ▶ No in-person meetings; stakeholder meetings will be conducted virtually until further notice
  - ▶ All BOP-related documents must be uploaded by applicant into Accela. No hard copy submissions.
  - ▶ All permits are issued electronically.
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# UPDATES RELATED TO COVID-19

## ▶ Cannabis-related Personnel/Operations (cont.)

- ▶ BOP walk-thrus conducted on Tuesdays and Wednesdays for those with CofO (certificate of occupancy)/TCO (temporary certificate of occupancy) or have pending CofO/TCO but have passed final Fire and Building inspections.
  - ▶ Please limit the number of personnel at walk-thrus in order to safely practice social distancing
  - ▶ For distribution and delivery walk-thrus, please have vehicle(s) available on site for Code inspection
  - ▶ Email [cannabis@cityofsacramento.org](mailto:cannabis@cityofsacramento.org) to schedule a walk-thru, and attach your CofO/TCO or provide dates of your final Building and Fire inspections
- 



# UPDATES RELATED TO COVID-19

## ▶ Cannabis-related Personnel

### ▶ Code Enforcement

#### ▶ Inspection Schedule:

- ▶ Cultivation facilities = on or about every 180 days
- ▶ Distribution/Manufacturing/Delivery-only Dispensaries = on or about every 60 days
- ▶ Dispensaries = on or about every 30 days

#### ▶ Secured Loading Area

- ▶ Businesses must strictly adhere to the use of a secured loading area for cannabis transport (loading and unloading products) or




# UPDATES RELATED TO COVID-19

## ▶ Revenue Counter Open on a Limited Basis

- ▶ Payment appointment can be made through [marijuanapaymentcalendar@cityofsacramento.org](mailto:marijuanapaymentcalendar@cityofsacramento.org)
- ▶ More information on BOT and related topic during Revenue's presentation

## ▶ Fire Department

- ▶ Conducts inspections Tue-Fri. Do not call for a final inspection unless all required inspections have been completed.
  - ▶ To schedule an inspection, contact [codeenforcement@sfd.cityofsacramento.org](mailto:codeenforcement@sfd.cityofsacramento.org). For specific Fire questions, please contact Elizabeth McDowell at [Emcdowell@sfd.cityofsacramento.org](mailto:Emcdowell@sfd.cityofsacramento.org)
- 



# UPDATES RELATED TO COVID-19

- ▶ **300 Richards Public Counter (Building Department & Planning) is Closed**
    - ▶ Planning – CUP applications and minor modifications must be submitted through the citizen portal.  
<https://aca.accela.com/sacramento/Default.aspx>
    - ▶ For planning-related questions, please contact [planning@cityofsacramento.org](mailto:planning@cityofsacramento.org)
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# UPDATES RELATED TO COVID-19

## ▶ Building Department


- ▶ Inspections and other services may be requested online through: <https://www.cityofsacramento.org/Community-Development/Building/Building-Closure-Online-Services>
- ▶ If you hold a TCO, you can request an extension of your TCO for free. No CofO will be issued until in-person inspections can be conducted.
- ▶ If your property is under HDB, please contact the inspector assigned to your property.
- ▶ For specific questions about your building permit, please contact Jeff Brooks at [Jbrooks@cityofsacramento.org](mailto:Jbrooks@cityofsacramento.org)





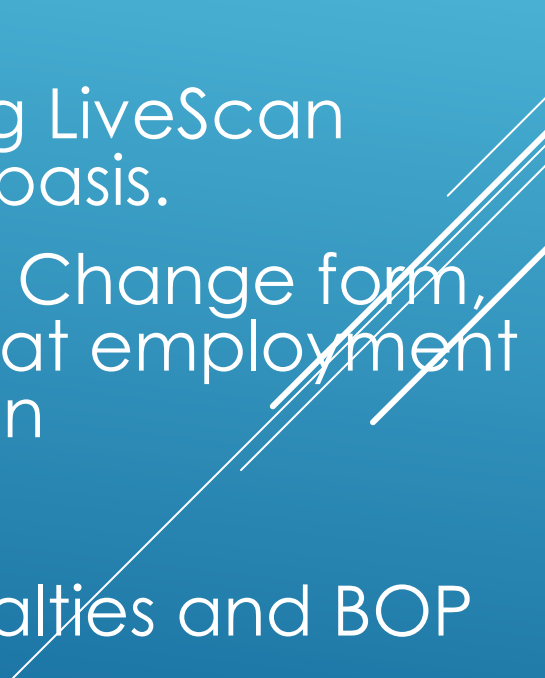
# UPDATES RELATED TO COVID-19

## ▶ BOP Renewal Fee Payment Plan

- ▶ Allows permit holders with renewal dates occurring prior to 9/1/20 to split renewal fee into four monthly installments with no interest
  - ▶ To request a payment plan, please fill out the form available on our website.
- 



# UPDATES RELATED TO COVID-19

- ▶ **Curbside pick-up service offered at 20 storefront dispensaries**
    - ▶ Temporary (30-day) written authorization from BCC and letter from OCM
  - ▶ **LiveScan for Delivery/Distribution Drivers**
    - ▶ Allows delivery/distribution drivers with pending LiveScan results to start employment on a contingency basis.
    - ▶ Permit holders must fill out Business Information Change form, submit LiveScan receipt, and acknowledge that employment of driver(s) is contingent upon result of LiveScan
  - ▶ **Appeal Hearings**
    - ▶ Resumption of hearings for administrative penalties and BOP enforcement cases still TBD.
- 



# POLICY UPDATE

## ▶ Addition of New Storefront Dispensaries

- ▶ 5 Permits in 2020; 5 in 2021

- ▶ Available only to CORE

- ▶ Council actions:

- ▶ Amendment in Title 17 (locations/zoning) –

- ▶ Shopping Centers, Del Paso/Arden Way SPD - Approved by Planning and L&L; tentatively scheduled for Council 6/16/20

- ▶ Amendment of Title 5 (cap in number of dispensaries) - TBD


- ▶ Resolution amending CORE Program - TBD

- ▶ Resolution establishing lottery procedures - TBD




# POLICY UPDATE

## ▶ Proposed Lottery Procedures

- ▶ Qualified Lottery or Two-Step Process
  - ▶ Qualifications include business plan, credentials that show applicant's likelihood to succeed in retail cannabis business
  - ▶ For updated information on Title 5 policy proposal and tentative lottery calendar, please check the CORE Policy Update page on our website.
- 



# POLICY UPDATE

- ▶ **Proposed Amendment to Classification 4 (Incubators)**
    - ▶ Expand incubators and add business accelerators
    - ▶ Add more incentives
    - ▶ **Suggestions welcome!** To participate in future discussions on incubators and accelerators, please send an email to [cannabis@cityofsacramento.org](mailto:cannabis@cityofsacramento.org). Please put “**CORE Incubators**” on the subject line.
- 



# BCC SURVEY

- ▶ **Survey on Demographic Information, including:**
  - ▶ Local permit status
  - ▶ Social equity qualification
  - ▶ Age, race/ethnicity, gender, sexual orientation, disability, income level, prior convictions, military service
  - ▶ Survey will be distributed via email






# CORE PROGRAM BY THE NUMBERS

- ▶ **21** applications have been submitted by (certified) CORE individuals (including 5 joint applications submitted by more than one CORE applicant)
- ▶ **4** individuals have more than one BOP application
- ▶ **8** have received a BOP or prior BOP have been converted to CORE
- ▶ **7** individuals have not yet submitted a BOP application



# EQUITY GRANT FUNDS

## ▶ BCC Grant Funds (\$1.2 million)


- ▶ CORE Business Reimbursement Program - ongoing
    - ▶ 14 requests for reimbursement have been received
  - ▶ Establish a Grant Program
    - ▶ Funds will be allocated towards a grant program to help CORE applicants who have no reimbursement expenses to submit
    - ▶ Deposit \$ into a CUP credit fund from which CORE applicants can draw from to cover CUP fees (?)
    - ▶ Wide and shallow or narrow and deep disbursement?
- 





# EQUITY GRANT FUNDS

## ▶ **Go-Biz Grant Funds (\$3.8 Million)**

- ▶ From the Governor's Office of Business and Economic Development; Resolution to accept the funds at 5/19/20 Council meeting;
  - ▶ No money received yet
  - ▶ Funds will be used for a loan program to be implemented by a third-party loan coordinator
    - ▶ Zero-interest, revolving loans for cannabis business start-up costs
  - ▶ Funds must be expended by August 2021
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City of Sacramento

Cannabis  
Stakeholder  
Meeting  
Business Operations  
Tax

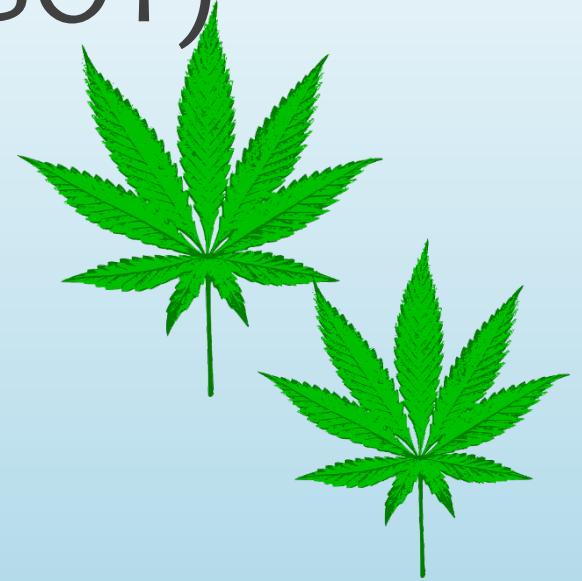
June 3, 2020

Ranelle Kawasaki



# Who Pays Business Operations Tax (BOT)

- Companies or Individuals
- Engaged in Business within City Limits
  - Regardless of Where Facility is Located
- Apply for an Account
- Receive a BOT Certificate





On Line



In Person



Mail

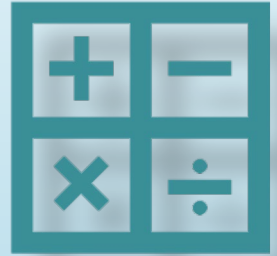


E-Mail

# How to Get a BOT

# How BOT is Calculated

- Gross Receipts x Rate
  - Cannabis Industry Rate is 4%
  - Example: Receipts \$8,595.72 x .04 = \$343.83
- Plus State Fee - Senate Bill 1186
  - \$4 annually, assessed every January
  - Item E of BOT Renewal Form
- Plus City Business Improvement District Fee
  - Item G of BOT Renewal Form



# Sample Monthly Payment Form

RETAIN THIS PORTION FOR YOUR RECORDS

## CITY OF SACRAMENTO - MONTHLY TAX RETAIL RENEWAL NOTICE

BUSINESS NAME	BUSINESS ADDRESS	TYPE OF BUSINESS	TAX PERIOD	ACCOUNT
			01/01/2020 - 01/31/2020	

COMPLETE THIS PORTION TO DETERMINE TOTAL AMOUNT DUE

- A. ENTER THE GROSS RECEIPTS FOR THE REPORTING MONTH A. \$ \_\_\_\_\_  
(ENTER IN 1 ABOVE)
- B. TAX ON REPORTING GROSS RECEIPTS - MULTIPLY LINE A BY 4% B. X \_\_\_\_\_ .04
- C. TAX DUE C. \$ \_\_\_\_\_
- D. STATE FEE OF \$ 0.00 per SENATE BILL 1186 (Effective 01/01/2013) D. \$ 0.00
- E. PRIOR OVERPAYMENT / UNDERPAYMENT E. \$ 4.00
- F. LATE PAYMENT PENALTY F. \$ \_\_\_\_\_  
ADD \$15.00 PENALTY IF PAID AFTER 02/29/2020  
ADD \$115.00 PENALTY IF PAID AFTER 03/31/2020
- G. BUSINESS IMPROVEMENT AREA FEE G. \$ \_\_\_\_\_  
SBBIA RETAIL - \$5.00 + (GROSS RECEIPTS - 4,167 TIMES .0005)  
MIN FEE: 5.00 MAX FEE: 51.25
- H. TOTAL AMOUNT DUE - ADD LINES C D E F & G H. \$ \_\_\_\_\_  
(ENTER IN 2 ABOVE)

PENALTIES WILL BE ASSESSED AS WRITTEN ABOVE. REMIT YOUR TAX TIMELY TO AVOID PENALTIES.  
OPERATING A BUSINESS WITHOUT A VALID TAX CERTIFICATE IS IN VIOLATION OF THE CITY CODE AND CONSTITUTES AN INFRACTION.

# What are Gross Receipts?

- Total Received From All Sales
- Not Reduced by Business Expenses
- Excludes Excise, Sales, Cultivation Taxes





PAY EACH  
MONTH



LAST DAY OF  
THE  
FOLLOWING  
MONTH



PENALTIES  
IF LATE

# When to Pay BOT



# How to Pay Tax

- Cash, Check, Money Order, Credit Card, ACH
- Cash payments over \$2,000 require an appointment
  - E-mail: [marijuanapaymentcalendar@cityofsacramento.org](mailto:marijuanapaymentcalendar@cityofsacramento.org)
- Dama Financial – Cash to Tax Account
  - Armored pickup
  - City pays for one pick-up once a month





- What is a CashToTax Account?

CashToTax lets you pay city taxes online instead of in-person with cash. Open an account with a U.S.-based bank, have cash picked up by a licensed armored car provider, and pay taxes electronically.

**dama**  
FINANCIAL

Dama Financial is an agent of its partnering financial institutions and licensed money transmitters. Your funds will be deposited into a custodial account maintained for the benefit of account holders at one or more FDIC-insured institutions. You will be the sole owner of your funds at all times and neither Dama nor its partner financial institutions will have any interest therein at any time. Fees, terms and conditions apply to depositing funds into and using your Account.

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2. Fill out business information and upload documents.
3. Be notified when your account is opened.

Have questions?  
Visit [cashtotax.com](https://cashtotax.com) to schedule a consultation  
Call 1-877-401-3262  
Email [info@damafinancial.com](mailto:info@damafinancial.com)



Dama Financial is an agent of its partnering financial institutions and licensed money transmitters. Your funds will be deposited into a custodial account maintained for the benefit of account holders at one or more FDIC-insured institutions. You will be the sole owner of your funds at all times and neither Dama nor its partner financial institutions will have any interest therein at any time. Fees, terms and conditions apply to depositing funds into and using your Account.

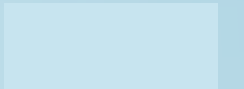


# References & Contacts

Online Portal: [www.cityofsacramento.org/Finance/Revenue/Business-Operation-Tax/Cannabis-Business-Tax](http://www.cityofsacramento.org/Finance/Revenue/Business-Operation-Tax/Cannabis-Business-Tax)

E-mail: [rkawasaki@cityofsacramento.org](mailto:rkawasaki@cityofsacramento.org)

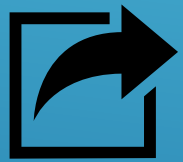
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Sacramento, CA 95814



Thank You



# CONTACT US:



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[www.cityofsacramento.org/cannabis](http://www.cityofsacramento.org/cannabis)