



GENERAL STAKEHOLDER MEETING

February 22, 2023

BOP UPDATE

| Business Type | | | | |
|------------------------|------------|------------|-----------|-----------|
| | Issued | Pending | CORE | |
| | | | Issued | Pending |
| Cultivation: | 100 | 37 | 6 | 3 |
| Cultivation-Nursery | 12 | 4 | 1 | 0 |
| Delivery Only: | 60 | 29 | 10 | 20 |
| Distribution: | 40 | 32 | 6 | 6 |
| Manufacturing: | 24 | 23 | 2 | 6 |
| Manufacturing-Shared: | 2 | 1 | 2 | 0 |
| Manufacturing-Small: | 5 | 2 | 0 | 0 |
| Microbusiness: | 8 | 8 | 2 | 1 |
| Storefront Dispensary: | 31 | 3 | 2 | 3 |
| Testing Lab: | 3 | 1 | 0 | 1 |
| Totals: | 285 | 140 | 31 | 40 |





Business Operations Tax Presentation

By Ranelle Kawasaki

City of Sacramento Revenue Division



Security Rebates

- Funds are available!
- Up to \$4000 per business to defray the costs to comply with new security requirements, such as live video monitoring cameras and service, security plan update, and circular padlocks and door hardware
- Products/services must be installed and have a receipt dated 1/1/22 or later in order to be eligible.
- Rebate form can be downloaded from OCM website at cityofsacramento.org/cannabis



BOP Reminders: Renewals

- Renewal window opens in Accela portal 90 days before expiration of permit
- Please submit complete renewal documentation and renewal fee ASAP once renewal window opens
 - Renewal cannot begin to be processed unless payment AND all renewal docs have been submitted
- Please respond promptly to OCM requests for documentation
- Danger of waiting to submit payment and renewal application materials is that if something is missing, then business may have to pay a late fee in order to have renewal processed



BOP Reminders: Renewals and Document Consistency

- Business documentation submitted for renewals should show internal consistency
- Example: Corporate name on business documents submitted for this year's renewal should be the same as last year's renewal, unless an approved BIC has been submitted for that change
- Example: Most recent Secretary of State filing says A, B, and C are sole members of LLC. Interested Parties form says B and D are sole members of LLC. Bylaws say A and E are sole members of LLC. No BICs submitted since last years' BOP was issued.



BOP Reminders: Renewals & Late Fees

- 10% Late fee applies one day after permit expiration date
 - To avoid paying late fee, please make sure all required renewal documents are complete, current and submitted early
- Be mindful of new forms:
 - Updated security plan that includes new security requirements;
 - Interested Parties form showing 100% ownership and all corporate officers or managing members
- Renewal cannot be processed if there is an outstanding business information change form



BOP Reminders: Expired Permits

- When the late fee was changed to apply on the day after the expiration date, BOP holders were also noticed that a new system would be coming:
 - If renewal payment and ALL CURRENT documents needed to process the renewal were not submitted by the expiration date, permit expired and operations must cease
 - Late fee could be paid to re-open Accela portal for 30 days from expiration, to allow submittal of any missing or expired documents or renewal payment
 - If all documents needed by OCM to process renewal are not submitted within that 30 days period, then permit expires and operations must cease



BOP Reminders: Expired Permits System Change Implementation

- Goal of this implementation is to provide more responsive customer service and reduce renewal turnaround times
 - 80% of time is spent chasing down documents from 20% of businesses, leaving only 20% of time to assist 80% of businesses
- We've been working with IT to implement and automate this process
- Although information on this upcoming change was discussed in previous meetings and has been going out with renewal notices, once live, we will provide at least 2 month's notice to BOP holders via email and a notice on our website



BOP Reminders: BICs

- Complete a Business Information Change (BIC) form within 30 days for changes in the following:
 - Business structure
 - Corporate business name
 - Ownership
 - Management company
 - Filing of fictitious business statement (dba)
- BIC must be submitted with supporting documentation, or it will be denied
 - PLEASE do not wait until renewal to submit BICs
- BOP renewal cannot be processed if there is an outstanding business information change form



BOP Reminders: New Businesses

- Submit a Business Operations Notification Form on the first day of business operations
- Livescan forms must be submitted to Permits Division for paperwork to be matched with results from DOJ
- Provide a copy of Waste Management Plan submitted to the DCC to Solid Waste once business becomes operational
- Cultivation businesses, add City of Sacramento as an authorized Metrc user
- Apply for a Business Operations Tax (BOT) when you have a scheduled walk-thru



BOP Reminders: All Businesses

- Report BOT to Revenue Division every month once permitted, even if it's \$0
- Submit a Cessation Form if your business is going to close temporarily for 31 to 89 days.
 - If business will close for more than 90 days, please contact us to discuss options.
- Make sure business email contacts are correct and kept updated in Accela



Cannabis Events

- Cannabis onsite consumption events in Sacramento are limited to Cal Expo
 - You need:
 - Event organizer license from DCC
 - Temporary event license from DCC
 - Local authorization from the City
 - City BOT account for every vendor at event
- All other public consumption events are unlicensed
 - Permitted business participating in unlicensed events could face enforcement on BOP



Cannabis Events – No License Needed

- **Events that do not require a license:**
 - Informational events with no retail/on-site consumption; products can be displayed but not available for demo or sale
 - Private events – no payment, tickets, or donations to get in; strictly for invited guests and not open or accessible to the public; not in any business location where smoking is prohibited or have employees who can get exposed to second-hand smoke (SCC Ch. 8 - Health and Safety Code)



Cannabis Events/Consumption: Meetings

- OCM will be hosting two community meetings to discuss cannabis social consumption and cannabis events in April
 - Goal is to obtain community feedback and preferences on the different possible consumption and event frameworks
- Meeting outcomes, along with the frameworks, will be shared with the Law & Legislation Committee for further direction



Neighborhood Responsibility Plan (NRP)

- Automated statements are still going out, but no demands to pay
 - Statements will be discontinued this year
- Letters were sent from the City Attorney to property owners with information on how to change election from NRP to a "Good Neighbor Agreement"
- For questions or updates, please email cnra@cityofsacramento.org.



New State Regulations: Licenses

- Large Cultivation Licenses Now Available at State Level
 - Large = Over 22K sq. ft. of canopy
 - Cultivation businesses with multiple licenses over 22K in total canopy sq. ft. (contiguous) can convert their State license to a large cultivation license
- **No changes for City BOPs**
- State Increases Delivery Threshold to \$10K worth of cannabis products
- **No changes to City's max amount delivery vehicles can carry** (still \$5K per vehicle)



New State Regulations: Fees

- Even if you don't qualify for local equity programs, you may qualify for the State's Equity benefits, which can include
 - Fee Waiver
 - Fee Deferral
 - Cannabis Equity Tax Credits

<https://cannabis.ca.gov/applicants/apply-for-equity-fee-relief/>



Questions on Local Permitting Process?

Sacramento Permitting Questions

- General Process or BOP Questions
 - OCM email: cannabis@cityofsacramento.org
 - Cannabis Business Information (OCM Website):
<https://www.cityofsacramento.org/City-Manager/Divisions-Programs/Cannabis-Management/Business-Information>
 - PowerPoint on Permitting Process:
<https://www.cityofsacramento.org/-/media/Corporate/Files/CMO/Cannabis/Cannabis-Business-Permitting-Process-72221-PDC-Mtg.pdf?la=en>



More Questions on Local Permitting Process?

Sacramento Permitting Questions

- CUP/Land Use Questions:
 - **Kevin Valente** kvalente@raneymanagement.com or
 - planning@cityofsacramento.org
- Building Questions: ezpermit@cityofsacramento.org

Additional resources, guidance and direct technical assistance services coming soon!



Requests for Future Discussion Topics or Trainings?

- We're always looking for ways to assist and provide information and useful training to the cannabis stakeholder community
- Recent examples:
 - Shared Manufacturing Presentation by State and OCM
 - Free SellSmart training offered at City Hall
- Please share any ideas you have for discussion topics!



QUESTIONS? CONTACT US:

Phone: 916-808-8955

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Email:

cannabis@cityofsacramento.org