GENERAL STAKEHOLDER MEETING

February 22, 2023
## BOP UPDATE

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Issued</th>
<th>Pending</th>
<th>CORE Issued</th>
<th>Pending</th>
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</thead>
<tbody>
<tr>
<td>Cultivation:</td>
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<td>Cultivation-Nursery</td>
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<td>Delivery Only:</td>
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<td>20</td>
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<td>Distribution:</td>
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<tr>
<td>Manufacturing:</td>
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<td>6</td>
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<tr>
<td>Manufacturing-Shared:</td>
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<td>Manufacturing-Small:</td>
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<td>Microbusiness:</td>
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<td>Storefront Dispensary:</td>
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<td>3</td>
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<td>Testing Lab:</td>
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<tr>
<td><strong>Totals:</strong></td>
<td>285</td>
<td>140</td>
<td>31</td>
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</table>
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
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:
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

Web: cityofsacramento.org/cannabis

Email: cannabis@cityofsacramento.org