

The background of the image is a dense, repeating pattern of green cannabis leaves, viewed from a slightly elevated angle. The leaves are vibrant green and have a serrated, palmate shape. The overall tone is a rich, natural green.

CANNABIS GENERAL STAKEHOLDER MEETING

April 14, 2022



BOT UPDATE

Total BOPs issued: 269 (including 27 CORE)

- **Cultivation: 95**
- **Delivery only: 60**
- **Distribution: 40**
- **Manufacturing: 33**
- **Microbusiness: 8**
- **Testing lab: 3**
- **Storefront: 30**

Total pending applications: 157 (including 44 CORE)



EPS Study Update

❖ Workshop #1: March 15, 2022 (Overview and Ownership Issues)

➤ EPS' Chief Findings:

1. The industry is growing and diversifying rapidly at the local, regional, State, national and global levels.
2. Dispensary sales indicate Sacramento is a net exporter of cannabis to the region and other parts of California
3. A short-lived spike in industrial rents following legalization appears to have eased
4. Cannabis businesses have not harmed nearby retail or industrial uses
5. Cannabis businesses have not harmed nearby home values



EPS Study Update

❖ Workshop #1: (cont.)

➤ EPS' Chief Findings:

6. Cannabis businesses have not created increases in crime beyond the levels generated by other businesses
7. Cannabis is important contributor to the City General Fund
8. Cannabis is a significant driver of the Sacramento economy

➤ **L&L consensus: allow ownership moratorium to expire on 5/11/22**



EPS Study Update

❖ L&L Workshop #1: (cont.)

➤ **Bring back package of recommendations at final workshop. Staff to recommend the following:**

- Allow businesses to submit State ownership changes as a proxy application; add condition to BOPs that discrepancies can result in immediate revocation of BOP
- Revisit definition of ownership and tracking to who/what is defined as an owner
- Revisit the 51% and 10-year ownership requirement for CORE dispensary permits
- Evaluate the pros and cons of one-person-one-dispensary rule
- Potential impact of storefront ownership policy changes to other permit types



EPS Study Update

❖ L&L Workshop #2: April 5, 2022 (Land Use Issues)

❑ EPS findings on Land Use not covered in workshop #1:

1. The industry does not appear to produce negative economic effects on commercial and residential districts
2. Local areas of higher saturation include cultivation and delivery services in Districts 2 & 6

❑ Staff recommendations based on EPS findings:

- Cultivation Use and Odor Plan Review
- Maintain equivalent/comparable security standards for areas currently not zoned for cannabis



EPS Study Update

❖ L&L Workshop #2: (cont.)

❑ Staff recommendations based on EPS findings:

1. Cultivation Use and Odor Plan Review
2. Maintain equivalent/comparable security standards for future areas zoned for cannabis
3. Allow expiration of district-based delivery cap
4. Retain district-based cultivation/distribution cap UNTIL cultivation or distribution is allowed in other zones OR repeal inclusion of distribution from cap
5. Review sensitive uses and length of buffers



EPS Study Update

❖ L&L Workshop #3: April 19, 2022 (Fiscal and Economic Issues)

☐ Staff will recommend the following:

1. Monitor tax-related legislation and regional tax rates
2. Recommend that Council consider (with ballot approval) an ordinance allowing flexibility to make adjustments to the tax rates, such as:
 - a. Different tax rates for different cannabis business types
 - b. Waiver/rebate of a percentage of tax payments for a period of time for CORE businesses
3. Consider identifying a permanent funding source for the CORE Program



EPS Study Update

❖ **L&L Workshop #4: May 10, 2022 (Overflow/Recommendations)**

- ❑ Recommendations from all three previous workshops to be considered and voted on by L&L
- ❑ L&L may ask for staff to return with additional options or information, which would push back recommendations going to Council

❖ **Recommendations to Council: May 24, 2022**

- ❑ Discussion of recommendations from L&



Proposed Changes to State Regs

- ❖ Rulemaking process: readoption of Emergency Regs approved in Summer 2021
- ❖ Last day to submit comments: 4/19/22
- ❖ Full text regs, summary of proposed changes and how to submit comments can be found at: <https://cannabis.ca.gov/cannabis-laws/rulemaking/#proposed-changes>
- ❖ **Notable changes with local impact:**
 - Increases the value of cannabis goods that delivery drivers can carry to \$10K and removes requirements goods that must be pre-ordered
 - **Limits allowed in Title 5 will remain in place**



Proposed Changes to State Regs

❖ Notable changes with local impact (cont.)

- Allows storefront retailers to continue curbside pickup beyond the end of the pandemic
 - **Prohibition in Title 17 will remain in place; curbside pickup no longer available**
- Allows up to 3 sides of the transport (distribution) vehicle as walls of the secure storage
 - **Case by case basis depending on type of vehicle; to be determined during walk-thru.**



Update on Requirements for Cannabis Premises

- **New security requirements and BOP conditions**

By Sgt. Matt Young, Sacramento PD

- **Locks and Latches**

By Elizabeth McDowell, Sac Fire Dept.



New Process/Procedures/Forms Related to Amendments to Title 5

❖ Amendments to Title 5 went into effect on
March 17, 2022

No longer required:

- BICs for delivery/distro drivers and employee managers
- Copy of State license to receive new BOP (but added as condition on BOP)
- Records in hard-copy format



New Process/Procedures/Forms Related to Amendments to Title 5

New requirements/forms:

- Driver and vehicle verification form kept onsite
- LPA document for renewal
- Access to Metrc (cultivation)
- Request for extension (for expiring BOP applications...i.e. 180 days old)
- Cessation of operations (if closed for 30 to 89 days)
- Reporting of criminal activity
- Log of arming/disarming of security system
- CORE renewals: attestation that business is still 51% CORE

New Process/Procedures/Forms Related to Amendments to Title 5

❖ Renewals



BOP Renewal Timeline



Days to Expiration

- ✓ 90 – First Renewal Notice
- ✓ 60 – Second Renewal Notice
- ✓ 30 – Third Renewal Notice; start of 30-day grace period to submit documents

0 – PERMIT EXPIRES

- Renewal Portal Closes
- 10% Late Fee Assessed to Reopen

New Process/Procedures/Forms Related to Amendments to Title 5

❖ Renewals

TO RENEW:

- ❑ Pay late fee to reopen renewal portal for 30 days from date of expiration
- ❑ Complete renewal documents within the extension period
 - Portal will close on Day 31. Portal may not be reopened; any fees paid will be forfeited
 - Subject to enforcement for expired permit if renewal is not completed within extension period

TO NOT RENEW:

- ❑ Cease operations immediately or face penalties for operating without a permit
- ❑ May re-apply for a new permit by submitting new application and payment for new application fee; no operations may take place until new BOP is issued





Proposed Addition of Processor Permit

- Processing includes all activities associated with the drying, curing, grading, trimming, rolling, storing, packaging and labeling of cannabis or non-manufactured cannabis products.
- Currently included as part of cultivation BOP
- Allow modification during renewal
- Fee will equivalent to a Class A permit
- Send us your input via email at cannabis@cityofsacramento.org



Renewal Fee Payment Plan

- Offered as part of Covid relief in 2020, allowing permit holders to split renewal payments into four installments
- Will no longer be available for those with renewal dates of October 1, 2022 and later



CORE-Related Updates

- Small Grants Application
 - At this time, all grants have been awarded based on a first come, first served review of complete applications
- Future Grant Opportunities
 - We are working on the next CORE grant program to disburse \$4.35 million in State funding
 - We will prepare multiple proposals to present to CORE Stakeholders
 - Our goal is to create different levels of funding based on where CORE participants and applicants are in the permitting process



Update on Business Operations Tax (BOT)

By Ranelle Kawasaki

City of Sacramento Revenue Division



Sell-Smart Retailer Training

- ❑ May 24th noon-6 or May 25th 8-2 for in-person training at the Doubletree Hotel at 2001 Point West Way
- ❑ For managers, budtenders, employees of storefront and delivery-only dispensaries
- ❑ Training on rules and regulations for retail, checking IDs, consumer safety and handling tricky situations with customers
- ❑ Free* with discount code: **Sacramento**
- ❑ Register at <https://cannabistrainers.com/>

*Thanks to funding from the Sacramento County Coalition for Youth and the City of Sacramento

QUESTIONS? CONTACT US:

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