



# **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
<b>Totals:</b>	<b>285</b>	<b>140</b>	<b>31</b>	<b>40</b>





# **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](http://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](mailto: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](mailto: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](mailto:kvalente@raneymanagement.com) or
  - [planning@cityofsacramento.org](mailto:planning@cityofsacramento.org)
- Building Questions: [ezpermit@cityofsacramento.org](mailto: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](http://cityofsacramento.org/cannabis)**

**Email:**

**[cannabis@cityofsacramento.org](mailto:cannabis@cityofsacramento.org)**