MONTHLY STAKEHOLDER MEETING

May 23, 2019
Office of Cannabis Policy & Enforcement
APPLICATIONS UPDATE

CUP Applications –
BOP Applications
• Submitted –
• Approved –
POLICY UPDATES

Proposed Policies Before Law and Legislation Committee July 23, 2019 Meeting:

1) Volatile Manufacturing

2) Small Manufacturing – amendment to definition; increase in gross receipts threshold

3) Title 5 Cleanup
UC DAVIS GRADUATE RESEARCH PROJECT

- 10-week study will wrap up in two weeks
- Interviewing a few more businesses and conducting focus groups
- Focus of study: economic impacts including taxation, labor & employment, impacts of illicit market on the legal market
- Recommendations will be presented week of 6/10/19
INDUSTRY SURVEY

- **Last Chance!!!** Deadline extended to Friday, 5/24/19. Last chance to participate
- Survey consists of 22 questions, can be completed in no more than 15 minutes.
- Opportunity to help establish a profile of the Sacramento cannabis industry, share challenges applicants face in entering the industry, and provide feedback on the City’s application process
NRP INVOICES

- Invoices mailed out this week and will continue to go as the agreements are executed.
- Invoices are retroactive to Jan. 1, 2018 or the date business starts operating.
CEQA COMPLIANCE FOR STATE APPLICATIONS

- After City rendered a decision on the CUP application and has determined that property is exempt from CEQA, applicants can obtain a CEQA exemption document by:
  - Requesting a completed Notice of Exemption (NOE) from Planning
  - NOE must be filed with the County Clerk ($40 fee) and the Office of Planning and Research (no fee).
  - Data-stamped copy is the official CEQA exemption document to be submitted with applications with CDFA, BCC or CDPH.
DEADLINES

ALL BOP APPLICANTS:
- To complete BOP application – JULY 31, 2019
  - All incomplete BOP applications by August 1, 2019 will be DENIED.

ALL REGISTERED CULTIVATORS AND OPERATING BUSINESSES:
- To obtain a BOP – DECEMBER 31, 2019
  Includes obtaining a building permit, completing tenant improvements and obtaining a Certificate of Occupancy

- All applications of registered cultivators and operating businesses who do not have a BOP by January 1, 2020 will be DENIED and operations will need to SHUT DOWN immediately.
A Non-Operational BOP is issued only to businesses that have completed their BOP application but are still going through the building permit and tenant improvement process.

- It is **NOT** an authorization to start operating.
Local authorization is provided only for applicants with:
- A complete BOP application;
- Has been issued a Building Permit; and
- Has no outstanding Fire-related issues.

Local authorization is only for purpose of State application moving through the process. **It is NOT an authorization to start operating!**

A **State license** (temp, provisional or annual) alone **DOES NOT** authorize a business to start operating, without a BOP from the City.
STATE LICENSES & PERMITS

- A **State license** (temp, provisional or annual) alone **DOES NOT** authorize a business to start operating, without a BOP from the City.

- **Dual licenses** (State license + City permit) are required for operation.

- A Seller’s Permit issued by CDTFA is also **NOT** a license to operate!
ENFORCEMENT ACTIONS FOR ILLEGAL OPERATIONS:

- A business operating at any time during the application process on the basis of the following is considered to be an **ILLEGAL OPERATION**:

  1. Non-Operational BOP;
  2. Local authorization;
  3. State License;
  4. Seller’s Permit;
  5. Close to obtaining a Certificate of Occupancy;
  6. Any circumstance that does not include an active City-issued BOP.

- Applicants operating illegally may be subject to denial of application and other enforcement actions including administrative, civil or criminal actions.