PUTTING THE PIECES TOGETHER

Week 1, Session 1: Planning Division and Office of Cannabis Policy & Enforcement

The Conditional Use Permit (CUP) and the Business Operating Permit (BOP) Post Submission Processes

- Part 1: CUP Approval Process
  - What Happens at a Hearing?
  - Appealing a Decision
  - Activating Your CUP
  - Requesting for Extensions
  - Modifying Your CUP
PUTTING THE PIECES TOGETHER

Week 1, Session 1: Planning Division and Office of Cannabis Policy & Enforcement (cont.)

- Part 2: BOP Approval Process
  - Preliminary Review
  - Interdepartmental Approval
  - Submitting Building Plans after CUP is Approved

- Dual Licensing
- Making Changes to Your Application
PUTTING THE PIECES TOGETHER

Week 1, Session 2: Sacramento Police Department Crime Prevention Through Environmental Design (CPTED) Unit

- Security Requirements and the Police Department Review
  - Crime Prevention Through Environmental Design (CPTED)
  - Title 17 and Title 5 Review
  - Required locations for surveillance systems, cameras, motion sensors, alarms
- Secure Loading Areas
PUTTING THE PIECES TOGETHER

Week 2, Session 1: Sacramento Fire Department

- Fire Safety Essentials for a Cannabis Facility
  - The Technical Report
  - Preparing for a Fire Inspection
  - Signage, Storage, Handling Procedures for Hazardous Materials
  - Fire Watch, Stop Work Orders and How to Remove them
PUTTING THE PIECES TOGETHER

Week 2, Session 2: Building Department

- The Nuts and Bolts of Tenant Improvement
  - Finding the Right Design Professionals
  - Navigating the Plan Review Process
  - Understanding the Fees Associated with a Building Permit
  - Staying on Construction Schedule
  - Obtaining a Certificate of Occupancy
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<td>Fire Safety Essentials for a Cannabis Facility</td>
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THE BOP APPROVAL PROCESS

Submit:
1) Approved or submitted CUP
2) BOP requirements (specific to cannabis business type)

Interdepartment Review

1. Submit BOP Application

2. Wait for CUP Approval

3. Obtain C of O

- Not Operating = Non-op BOP
- Operating = Compliance Steps
- Building Permits
- Certificate of Occupancy
- Receive BOP

* Not required for Testing Labs and small manufacturers
TWO TYPES OF BUSINESS OPERATING PERMITS (BOPs)

1) Non-Operational
   - Approved CUP
   - Submitted Building Plans
   - Complete BOP Application
   - Confirmed to be non-operating
   - LiveScan completed for permit holder(s)
   - Renewal is due one year from the issuance of the Non-Op, regardless of when business starts operating
TWO TYPES OF BUSINESS OPERATING PERMITS (BOPs)

2) Operational
   ✓ Approved CUP
   ✓ Tenant Improvements Complete
   ✓ Certificate of Occupancy Issued (or has final sign-offs from Fire and Building Department)
   ✓ Complete BOP Application
   ✓ LiveScan completed for managers and drivers
   ✓ Completed final walk-thru
   ✓ Ready to operate upon issuance of BOP
THE FINAL STEPS TO A BOP
THE FINAL STEPS TO A BOP

- **Fingerprinting Requirements (LiveScan) for all Interested Parties**
  - Per City Code, interested parties include:
    - Person with an aggregate ownership of at least 20% or more in the entity engaging in the cannabis business, unless the interest is solely a security, lien or encumbrance
    - The chief executive officer and the members of the board of directors of the entity engaging in the cannabis business
    - The managers of the cannabis business
    - Person who delivers cannabis or cannabis products for the cannabis business
    - Person who transports cannabis or cannabis products for the cannabis business
THE FINAL STEPS TO A BOP

- Live Scans - completed at Permits Division. By appointment only. Call 916-808-5852 for appt.

  Bring to your appointment:
  - Completed:
    1) Fingerprinting Application Form;
    2) DOJ Request for Live Scan Service;
    3) $88 Live Scan fee

- Live Scan at Different Location?
  - Email businesspermits@cityofsacramento to receive forms and instructions
THE FINAL STEPS TO A BOP

- CUP Approved
- BOP Application Complete Building Permit Issued
- Tenant Improvements Complete
- Building & Fire Department Final Inspections Complete
- Certificate of Occupancy Issued
- State License

Schedule a Final Walk-thru for your BOP

916-808-8955
cannabis@cityofsacramento.org
THE FINAL WALK-THRU

Walk-Thru Team Consists of:
- Office of Cannabis Policy & Enforcement
- Sacramento Police Department
- Code Enforcement
THE FINAL WALK-THRU

What to Expect:

► Ensure that plans submitted are properly implemented
► Evaluation of surveillance systems, cameras, alarms, panic buttons, loading area, etc.
► Inspection of vehicles (for distribution and delivery)
► Standard Operating Procedures
► Odor Control measures in place
► Corrections may be required prior to issuance, or conditions may be added to the BOP
► When all aspects are approved, the BOP is issued.
YOUR BUSINESS OPERATING PERMIT

City of Sacramento
CANNABIS CULTIVATION
Business Operating Permit

Organization Name: ORLANDO BLOOMS
Address of Operation: 420 Weed Lane, Sacramento, CA 95838
Permit Holders: Mary Jane Doe

Permit Number: 19-08-00999-1
Issue Date: March 1, 2019
Expiration Date: March 1, 2020

Conditions:
1. The permit holder shall not operate the cannabis cultivation business until all of the following have been completed:
   a. All tenant improvements on the site are completed in compliance with all building permit requirements;
   b. A Certificate of Occupancy is issued by the City for the site;
   c. A certificate of insurance is submitted to the City and approved;
   d. A list of all managers is submitted to the City;
   e. A final walk through is conducted by the City to evaluate proper implementation of odor control and security plans
      submitted with BOP application, and operation is approved.

2. This permit must be posted in a conspicuous place at the place of business.
3. The permit holder shall secure approval from the Office of Cannabis Policy & Enforcement for any changes to
   approved floor plans submitted with the Business Operating Permit (BOP) application.
4. The Office of Cannabis Policy & Enforcement may require additional documents prior to the issuance of a BOP.
5. The permit holder shall not submit falsified documentation or misleading information to the City.
6. The permit holder shall pay all applicable taxes, including the City of Sacramento Business Operations Tax (pursuant to
   chapter 3 of the Sacramento City Code) and state sales tax.
COUNCIL CALL-UP

The City Council may call up a Business Operating Permit (BOP) issued for a business that does not require a Conditional Use Permit (*Sacramento City Code Ch. 5.150.235*)

**Applies to:**
1) Small manufacturers (< $100 in annual gross receipts)
2) Testing Labs
3) Self-distribution component of small manufacturers
4) Transport-only distributor
READY, SET, OPERATE!
TAXATION

“...but in this world, nothing can be certain except death and taxes.” - Benjamin Franklin

“Every cannabis business shall pay “four percent of each dollar of gross receipts for the reporting period.” - §3.08.205.a.1 of the Sacramento City Code
TAXATION

- **Cultivation Tax**
  - $9.25 per dry-weight ounce of cannabis flowers
  - $2.75 per dry-weight ounce of cannabis leaves
  - $1.29 per ounce of fresh cannabis plant

- **Excise Tax**
  - 15% imposed upon retail purchasers of cannabis and cannabis products
  - Arm’s length transaction: Transfer between unaffiliated cannabis businesses
  - Non-arm’s length transaction: Transfer between different parts of a business with multiple permit types or a Microbusiness
REPORTING YOUR GROSS RECEIPTS TAX

- When calculating gross receipts, include the following:
  - All sales
  - Returns/refunds

- When calculating gross receipts, do not include the following:
  - Sales tax
  - Excise tax
CODE INSPECTIONS

- Annual Inspections Required for Permit Renewal
- What are we checking for:
  - Is operator meeting conditions on the CUP and the BOP?
  - Proper signage
  - Operational adherence to Code requirements
  - Inventory management
  - Security
  - Recordkeeping
CODE INSPECTIONS

- Quarterly Inspections scheduled for new businesses, which will taper off into annual inspections.
- Ad hoc inspections may also take place resulting from complaints, Fire/PD concerns, joint inspections with State and/or other agencies.
GEARING UP FOR RENEWAL

- **When is my Renewal Period?**
  - Renewals are due 30 days prior to expiration date on permit
  - Renewal notices sent out 30 days prior to expiration date on permit

- **Renewal packets must include:**
  - All documents required
  - Renewal Fee

- **Late Renewal Fee:** (10% of renewal amount) applies to applications received after the 30th day of date renewal is due
  - Example: Permit expires 4.20.19
    Renewal due on 3.20.19
    Late penalty fee applies on 3.21.19
EVALUATION PROCESS FOR RENEWAL

- Security Plan and Lighting Plan. PD may ask for revisions or impose new conditions depending on calls for service or security breaches during permitted period.
- Financial documents reviewed for accuracy, consistency with reported Gross Receipts and BOT payments.
- Assessment of overall compliance during permitted period including:
  - Results of periodic inspections.
  - Corrective measures (if applicable).
  - Submission of quarterly documents: Copies of employee IDs/badges, security breaches, alarm activations, etc. (if applicable).
  - Timely payment of monthly BOT.
CONTACT US:  

OFFICE OF CANNABIS POLICY & ENFORCEMENT  
915 I St. 2nd Floor  
916-808-8955 | cannabis@cityofsacramento.org  
www.cityofsacramento.org/cannabis