

RESOLUTION NO. 2018-0485

Adopted by the Sacramento City Council

December 11, 2018

Approving Business Operating Permit Fees for Cannabis Microbusinesses and Application Modification Fees

BACKGROUND

- A. On November 27, 2018, the City Council adopted regulations for a cannabis microbusiness permit type. A microbusiness permit type allows the operation of at least three of the following cannabis-related activities on one site: cultivation with under 10,000 sq. ft., non-volatile manufacturing, dispensary, and distribution.
- B. On November 28, 2017, the City Council adopted Resolution 2018-0457, which included a fee for modification and relocation of permitted businesses.
- C. On December 4, 2018, the Budget and Audit Committee approved the proposed business operating permit (BOP) fees for a cannabis microbusiness. It also approved a fee to modify BOP applications.
- D. Permit fees are calculated based on the cost required to administer and enforce each of the permit types.
- E. Modification fees will cover the cost involved in processing revisions to applications and re-routing it for inter-departmental review.
- F. Pursuant to California Constitution, article XIII, §1(e)(3) (Proposition 26), these business operating permit fees are not taxes because they are for the reasonable regulatory costs to a local government for issuing permits; performing investigations, inspections, and audits; and the administrative enforcement and adjudication thereof.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The background statements A through F are true.

Section 2. The amount of the microbusiness BOP initial fee is established as follows:

Microbusiness Permit Type	\$36,800
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Section 3. The amount of the microbusiness BOP renewal fee is established as follows:

Microbusiness Permit Type	\$35,100
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Section 4. The amounts of BOP application modification fees are established as follows:

Level 1 modification	\$250
Level 2 modification	\$500

Section 5. Exhibit A is part of this resolution.

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Exhibit A - Proposed Microbusiness BOP fees and application modification fees.

Adopted by the City of Sacramento City Council on December 11, 2018, by the following vote:

Ayes: Members Carr, Guerra, Hansen, Harris, Jennings, Schenirer, Warren and Mayor Steinberg

Noes: None

Abstain: None

Absent: Member Ashby

Attest:

Mindy Cuppy Digitally signed by Mindy Cuppy
Date: 2019.01.15 15:53:40
-08'00'

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

PROPOSED FEES

I. MICROBUSINESSES

Permit Type	Initial Fee	Renewal
Microbusinesses	\$36,800	\$35,100

II. BUSINESS OPERATING PERMIT APPLICATION MODIFICATIONS

Modification	Fee
Level 1 (changes in business structure, ownership, management)	\$250
Level 2 (relocations)	\$500