

POLICY MEMORANDUM

Date: July 1, 2024

From: Davina Smith, Cannabis Program Manager

Re: Office of Cannabis Management – Senate Bill 833 Policy

To operate a cannabis business in the State of California the entity needs a valid license from the Department of Cannabis Control (DCC) and a valid cannabis business operating permit (BOP) from the City of Sacramento (City) Office of Cannabis Management (OCM), as required by California Business and Professions (BPC) Code §26200; thus, a framework that prohibits a business from operating without both. This also aligns with Sacramento City Code section 5.150.030 requiring the possession of all applicable state and local licenses or permits to operate a business.

This still holds true after the recently adopted DCC emergency regulations under Senate Bill (SB) 833. Under these new regulations, processor, nursery, or cultivation licensees can make a one-time change to their license expiration date. Additionally, DCC cultivation licensees can now submit a request to either place their license in limited operations status or to reduce the size of their cultivation licensee.

However, local jurisdiction programs can implement stricter regulations than the State, per BPC 26200, to adopt and enforce local ordinances to regulate cannabis businesses licensed under this division. No cannabis business may cease operations for more than 30 consecutive days without first obtaining the City Manger's approval, per SCC section 5.150.185. Furthermore, SCC section 5.150.270(B)(2) states, the City Manager may immediately revoke the cannabis business permit without prior notice if a permitted cannabis business ceases operation for 90 consecutive days or longer and does not have City approved plans pursuant to section 5.150.185.

To ensure clarity around SB 833 and OCM's position regarding regulatory authority and programmatic procedures, the following policies shall be enacted:

1. A permit holder may modify their cultivation permit type at any time with the OCM by filling out the BOP Application Modification form on our website.

2. A permit holder shall pay the modification fee in order to have the application reviewed by OCM staff.
3. No cannabis business may cease operations for more than 30 consecutive days without first obtaining the city manager's approval (SCC section 5.150.185). If the business plans to be non-operational for more than 30 days, the business shall fill out the Temporary Business Closure form located on our website. The form should indicate the cultivation license(s) issued by the DCC have been placed in a limited operations status and the designated timeframe.
4. Permit holders that place their cultivation permits in limited operations status with DCC are prohibited from having mature plants on the premises; however, are allowed to:
 - a. Engage in the drying, curing, grading, trimming, packaging, and sale of cannabis that was harvested *before* entering limited operations status, and
 - b. Possess and maintain seeds and immature plants used solely for propagation to preserve the genetic lineage of the licensee's cannabis plants.
5. Pursuant to 5.150.270, a cannabis business holding a valid cannabis business permit may be subject to suspension, modification, or revocation if it ceases operation for 90 consecutive days or longer. If the planned cessation of operations extends beyond 90 days, please contact the Office of Cannabis Management to discuss the situation and a determination will be made on a case-by-case basis.