

# **FAQ for Cannabis Delivery Services Outside of the City of San Luis Obispo**

## **Getting Started:**

### **1. Why am I required to have a Business License & Cannabis Tax Certificate?**

Per the City of San Luis Obispo's Municipal Code, Section 5.01, all businesses conducting any transactions in the City, whether or not physically located in the City, must have a valid business license. Additionally, Municipal Code Section 5.10 establishes a tax on Cannabis related businesses.

### **2. My delivery service is located outside of the City of San Luis Obispo. How do I come into compliance?**

You will need to apply for a business license and Cannabis tax certificate. You can do so through the City of San Luis Obispo's Finance Department located 990 Palm St. in San Luis Obispo.

In order to facilitate the application process, we are providing you with the link to the application at [www.slocity.org](http://www.slocity.org). In order to avoid citations, please complete the application and return it either in person or by mail to the Finance Department located at 990 Palm Street, or, complete the application online.

### **3. What is the tax rate?**

Six percent (6%) of gross receipts from sales conducted within the City.

### **4. Is this 6% of all sales or just sales that happen within the City?**

Just sales to customers within the City. This includes online transactions in which the delivery or point-of-sale occurs in the City.

### **5. How do I pay my tax?**

You will receive a monthly remittance form from the City Finance Department. You will be able to pay the tax online or by returning the completed form with payment.

### **6. Can I pay my tax in cash?**

Yes, by appointment only. Please contact the Finance Department – Business Tax Division for more information (805)-781-7134.

**7. How often do I pay tax?**

Monthly.

**8. Do I have to pay back taxes on sales made before July 31, 2019?**

No, as long as you come into compliance prior to July 31, 2019. However, if cannabis delivery businesses do not come into compliance before this date they will be cited and have to pay back taxes.

**9. How long is my Business License & Cannabis Tax Certificate valid?**

The certificate must be renewed annually as it is valid from July 1<sup>st</sup> through June 30<sup>th</sup> of each year. However, for 2019, if your business applied for a Cannabis Delivery License prior to July 31<sup>st</sup> (e.g. June 15<sup>th</sup>) the license will be good through July 31, 2020.

**10. When obtaining my Business License & Cannabis Tax Certificate, do I need to present proof of a commercial cannabis business license from the jurisdiction my business headquarter is located in?**

Yes, we require proof of a commercial cannabis license.

**11. How will agencies know I am a legitimate business?**

Always have on your person your valid California Driver's License, proof of a license from the State of California issued by the Bureau of Cannabis Control (BCC) and proof of a commercial cannabis business license from the city or county in which the business is based.

**Business Practices**

**12. How much in cannabis goods can be carried at once?**

As outlined in the BCC's Regulations:

§ 5418. Cannabis Goods Carried During Delivery. (a) A licensed retailer's delivery employee shall not carry cannabis goods in the delivery vehicle with a value in excess of \$5,000 at any time. The value of cannabis goods carried in the delivery vehicle for which a delivery order was not received and processed by the licensed retailer prior to the delivery employee departing from the licensed premises may not exceed \$3,000.

**13. Are there limits on the hours which the deliveries can be made?**

Yes. A commercial cannabis business shall not operate between the hours of 10 p.m. and 6 a.m.