



CANNABIS FAQs

Updated July 1, 2019

1. **What is the fee to apply for a Cannabis Business Operator's Permit?**

Retail Storefront application fee: \$23,262.13 (Note: we are not accepting applications for retail storefront operations at this time)

Other Commercial Cannabis Business applicants:

Initial Application Fee: \$7,676.22

Final Application Fee when permit is issued: \$15,584.87

2. **When is the Yearly License Renewal Fee due?**

The annual license will be valid from July 1st through June 30th. The fee will be due on July 31st of each year to avoid late charges.

For the first year, the annual license fee will be due on permit issuance and the amount will be prorated to account for the remainder of the fiscal year.

3. **What are the Yearly License Renewal Fees?**

Retail Businesses \$93,563.98

Manufacturing Businesses \$74,411.12

Cultivation \$74,627.02

Other Business \$68,064.37

4. **What forms of payment will the City accept for application or license renewal fees?**

At this time the City's preferred forms of payment for application or license renewal fees are credit card (American Express, Discover, Mastercard or Visa), money order, check, and debit cards.

The City will accept payment in the form of **cash by appointment only**. Please contact the Community Development Department for additional information at (805) 781-7170.

5. **How long will the Cannabis Business Operator Permit application review process take?**

Application review will begin in August and applicants notified in late September/early October. The goal is to provide updates throughout the process to all of those that apply.

6. Can I open my business once I have my Contingent Cannabis Business Operator Permit?

No. You will need to obtain the appropriate state license for your business and a use permit for the property where your business is located. Building permits will be required for the necessary tenant improvements, and a City business license and tax certificate will be issued once these items are all obtained. The application for a use permit must include all the information outlined in [Municipal Code 17.86.080.E\(4\)](#)

7. Can I deliver in the City if my business is not located within the City?

Yes, but the delivery business must meet the following requirements:

1. A license from another local city or the County;
2. A license from the State of California;
3. A valid business license and tax certificate from the City of San Luis Obispo;
4. Remit applicable sales tax to the City of San Luis Obispo for transactions that occur within City limits.

8. Can you stack multiple applications on one property?

You cannot stack multiple applications for the same type of business on the same property.

9. If I want to have a business on one site that includes various cannabis type activities that is *not* a microbusiness (e.g. retail storefronts with delivery, distribution with delivery, etc.), do I have to apply for two separate Cannabis Business Operator Permits and pay two application fees?

At this time, you will need to apply for a microbusiness license.

10. Do I need a Cannabis Business Operator Permit to sell Hemp Cannabidiol (CBD) products?

Although California currently allows the manufacturing and sales of cannabis products (including edibles), the use of industrial hemp as the source of CBD to be added to food products is prohibited. Until the FDA rules that industrial hemp-derived CBD oil and CBD products can be used as a food or California makes a determination that they are safe to use for human and animal consumption, CBD products are not an approved food, food ingredient, food additive, or dietary supplement.

Consumers can still buy cannabis derived CBD-enriched products and CBD edibles from licensed cannabis dispensaries.

11. Do I need to have a location selected to apply for a Cannabis Business Operator Permit?

No. You do not need to have a location established to apply for a Cannabis Operator Permit but you will also not be awarded points in this criteria. However, you will need a business location by the time that you apply for a use permit.

12. What material/information do I need to submit for my Cannabis Business Operator Permit?

An application form and checklist are available online on the City's website: <https://www.slocity.org/cannabis>. This application includes a form to fill out as well as a checklist of the supplemental information that is to be included in the application submittal.

13. If a Cannabis Business Operator Permit is approved, is it possible to transfer the permit to another site?

If you want to move your business to another site after you have been ranked and after you have been granted your Contingent Cannabis Business Operator Permit, you would lose the points you received in the evaluation and ranking process. Losing those points could mean you lose your permit if you are no longer one of the top 3 ranked retail storefronts or drop below the 70% total points needed to operate as another Cannabis business.

14. What is a compliant cannabis operation?

A compliant cannabis operation is an operation that can demonstrate a history of compliant operations including that with Proposition 15, the "Compassionate Use Act" passed in 1996.