

Cannabis Regulatory Commission

Regular Meeting

Thursday, March 5, 2020, 6:30 pm

Council Chambers, City Hall, One Frank H. Ogawa Plaza

AGENDA

Members:

Lanese Martin	District 1	Frank Tucker	District 7
Chang Yi	District 2	Vacant	At Large
Zachary Knox	District 3	Stephanie Floyd-Johnson	Mayor
Debby Goldsberry	District 4	TiYanna Long	City Auditor
Claudia Mercado	District 5	Greg Minor	City Administrator
Joshua Chase	District 6		

Available on-line at: <https://www.oaklandca.gov/boards-commissions/cannabis-regulatory-commission>

MEETING AGENDA

- A. Roll Call and Determination of Quorum
- B. Open Forum / Public Comment
- C. Review of the Pending List and Additions to Next Month's Agenda
 - *Cannabis Regulatory Commission 2019 Annual Report (since February 2020)*
 - *Introduction to Workforce Development Board (since February 2020)*
 - *Training on Parliamentary Procedures (since February 2020)*
 - *Agencies listed on City of Oakland cannabis permit inspection card (since February 2020)*
 - *Shared drive regarding cannabis robberies and burglaries (since February 2020)*
- D. Approval of the Draft Minutes from the CRC meeting of February 2020.
- E. Reports for Discussion and Possible Action
 1. Revenue Management Bureau Overview of 2020 Cannabis Business Tax Rates and Rebate Programs.
 2. Onsite Consumption Lounges.
- F. Announcements
 1. Requests for Proposals Available for Event Organizer(s) and A Shared-Use Manufacturing Facility for Cannabis Equity Applicants Here: <https://cao-94612.s3.amazonaws.com/documents/RFP-for-equity-event-organizer-02.20.20.pdf> and Here: <https://cao-94612.s3.amazonaws.com/documents/RFP-for-equity-kitchen-updated-2.20.20.pdf>
 2. March 20th Cannabis Permitting Workshop at City Hall, Council Chambers.
 3. Update on Cannabis Permitting Process
- G. Adjournment

Persons may speak on any item appearing on the agenda; however, a Speaker Card must be filled out and given to a representative of the Cannabis Regulatory Commission. Multiple agenda items cannot be listed on one speaker card. If a speaker signs up to speak on multiple items listed on the agenda, the Chairperson may rule that the speaker be given an appropriate allocation of time to address all issues at one time (cumulative) before the items are called. All speakers will be allotted 3 minutes or less – unless the Chairperson allots additional time.

♿ This meeting is wheelchair accessible. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meetings of the Cannabis Regulatory Commission, please contact the Office of the City Clerk (510) 238-3612. Notification two full business days prior to the meeting will enable the City of Oakland to make reasonable arrangements to ensure accessibility. In compliance with Oakland's policy for people with chemical sensitivities, please refrain from wearing strongly scented products to events.

Questions or concerns regarding this agenda, or to review any agenda-related materials, please contact the Cannabis Regulatory Commission at (510) 238-6370.

Cannabis Regulatory Commission

Regular Meeting

Thursday, February 6, 2020, 6:30 pm
Council Chambers, City Hall, One Frank H. Ogawa Plaza

MINUTES

Members:

Lanese Martin	District 1	Frank Tucker	District 7
Chang Yi	District 2	Vacant	At Large
Zachary Knox	District 3	Stephanie Floyd-Johnson	Mayor
Debby Goldsberry	District 4	Tiyanna Long	City Auditor
Claudia Mercado	District 5	Greg Minor	City Administrator
Joshua Chase	District 6		

Available on-line at: <https://www.oaklandca.gov/boards-commissions/cannabis-regulatory-commission>

MEETING AGENDA

A. Roll Call and Determination of Quorum

Present: Yi, Knox, Goldsberry, Mercado, Chase, Tucker, Floyd-Johnson, Long, Minor.

Absent: Martin.

B. Open Forum / Public Comment

Members of the public asked about the CRC's authority as a commission, establishing cannabis consumption lounges

C. Review of the Pending List and Additions to Next Month's Agenda

- *Information on private use of cannabis (since May 2019)*

Member Tucker moved for the CRC to receive a training on parliamentary procedure. Member Floyd-Johnson seconded the motion and it passed by consensus.

Vice-Chair Knox moved for the Workforce Board and Revenue Management Bureau staff to present at next month's meeting. Member Floyd-Johnson seconded the motion and it passed by consensus.

Member Goldsberry moved for the CRC to connect with the agencies listed on the City of Oakland's cannabis permit inspection card in the future. Member Floyd-Johnson seconded the motion and it passed by consensus.

Chair Yi moved to remove Information on private use of cannabis from the pending list. Member Floyd-Johnson seconded the motion and it passed by consensus.

D. Approval of the Draft Minutes from the CRC meeting of December 2019.

Persons may speak on any item appearing on the agenda; however, a Speaker Card must be filled out and given to a representative of the Cannabis Regulatory Commission. Multiple agenda items cannot be listed on one speaker card. If a speaker signs up to speak on multiple items listed on the agenda, the Chairperson may rule that the speaker be given an appropriate allocation of time to address all issues at one time (cumulative) before the items are called. All speakers will be allotted 3 minutes or less – unless the Chairperson allots additional time.

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Questions or concerns regarding this agenda, or to review any agenda-related materials, please contact the Cannabis Regulatory Commission at (510) 238-6370.

Member Floyd-Johnson moved to approve the Draft Minutes. Member Tucker seconded the motion and it passed by consensus.

E. Reports for Discussion and Possible Action

1. OPD security inspections and trends in crimes against cannabis businesses.

Officer Romero provided an overview of crime trends against cannabis businesses in Oakland, noting reports are based on when people report incidents. Officer Romero also summarized security inspections he performs as part of the cannabis permitting process.

Members asked follow up questions regarding the status of investigations on those committing crimes against cannabis operators, which cannabis business types are robbed more often, what time of day do crimes take place, what to do if you are being followed, and what percentage of crimes are inside jobs.

Members of the public shared their experiences as cannabis business owners, concerns re OPD's response to burglaries, and suggestions on how cannabis operators can work together.

Member Goldsberry made a motion to add to the pending list a shared drive regarding cannabis robberies and burglaries. Chair Yi seconded the motion and it passed by consensus.

2. Cannabis Events.

Member Minor provided background re City's current event permitting process and state ABC issue limiting location of cannabis events. Chair Yi shared his experiences trying to organize a cannabis event, issues with finding a non-ABC location, finding insurance, and obtaining BCC approval. Chair Yi suggested bringing any state bill to address ABC issue to the CRC for its review.

3. Governor's Office of Business and Economic Development (GO-Biz) Draft Cannabis Equity Grants Program For Local Jurisdictions Grant Solicitation.

Member Minor provided background on this grant opportunity. Vice-Chair Knox moved that staff apply for the maximum amount possible and return to the CRC for further discussion once the City is awarded funds. Chair Yi seconded the motion and it passed by consensus.

4. CRC 2019 Annual Report

Chair Yi and Member Minor provided background on the process used for the last CRC report to City Council. Chair Yi and Member Mercado offered to be on a subcommittee to draft the 2019 annual report.

F. Announcements

1. Cannabis Dispensary Permit Applications Available Through February 27, 2020 at <https://www.oaklandca.gov/services/cannabis-dispensary-applications>
2. Update on Cannabis Permitting Process

G. Adjournment



Cannabis Regulatory Commission

TO: Cannabis Regulatory Commission

FROM: Greg Minor
Assistant to the City
Administrator

SUBJECT: March 2020 Agenda Items

DATE: March 2, 2020

ITEM E (1) Revenue Management Bureau Overview of 2020 Cannabis Business Tax Rates and Rebate Programs

Attached please find informational materials from the Revenue Management Bureau on Cannabis Business Tax Rates and Rebate Programs as well as a Tax Rebate Application.

ITEM E (2) Onsite Consumption Lounges

Attached please find the following documents regarding onsite consumption lounges:

- Current Oakland Municipal Code section regarding onsite consumption at permitted dispensaries.
- State laws pertaining to consumption of cannabis.
- A proposal from a community member to expand the City of Oakland's onsite consumption regulations.

ITEM F (3) Update on Cannabis Permitting Process

Below please find updated cannabis permitting statistics for the CRC's review.

Figure 1: Application Totals

APPLICATIONS	TOTALS	PENDING
Total Complete & Incomplete Applications	1417	112
Total Complete Applications	1417	
Complete General Applications	586	
Equity Applications based on residency	709	
Equity Applications based on conviction	122	
Incubators	384	
Interested in Incubating	22	
Complete Application with property	1046	
Complete Application without property (Equity)	310	
Complete Applicants without property (General)	61	

Figure 2: Permit Applications by Category

COMPLETED APPLICATIONS BY BUSINESS TYPE	GENERAL	INCUBATOR*	INTERESTED IN INCUBATING*	EQUITY
Delivery	135	66	4	223
Cultivator (Indoor)	138	92	13	126
Cultivator (Outdoor)	5	4	0	35
Distributor	136	102	3	207
Mfg. Volatile	64	50	0	41
Mfg. Non-Volatile	99	63	2	149
Transporter	6	4	0	40
Lab Testing	3	3	0	10
GRAND TOTALS	586	384	22	831

*These numbers are part of the General Total

Figure 3: Operators Locally Authorized for Provisional or Annual State License by Category

LOCALLY AUTHORIZED FOR STATE *ANNUAL/PROVISIONAL LICENSES*	GENERAL	INCUBATOR	EQUITY	
Delivery	25	44	106	
Cultivator	7	48	38	
Distributor	5	76	78	
Mfg. Volatile	5	29	6	
Mfg. Non-Volatile	20	53	46	
Transporter	1	2	4	
Lab Testing	0	1	2	
Retailers	0	2	4	
TOTALS:	64	255	284	603

*These figures represent those who have applied with the state for their provisional/annual license. There are additional applicants who are locally authorized for a state license but they have not yet applied with a state agency.

Figure 4: New Permits Issued to Cannabis Operators Since Spring of 2017 by Category

	GENERAL NOT INCUBATING	INCUBATOR	EQUITY	TOTAL
NEW ANNUAL PERMITS BY BUSINESS TYPE				
Dispensary	0	1	2	3
Delivery	32	9	46	87
Cultivator (Indoor)	0	3	2	5
Cultivator (Outdoor)	0	0	0	0
Distributor	5	12	19	36
Mfg. Volatile	0	1	0	1
Mfg. Non-Volatile	2	2	11	15
Transporter	1	0	6	7
Lab Testing	0	0	0	0
SUB TOTALS	40	28	86	154
GRAND TOTALS	40	28	86	154

Figure 5: Withdrawn Applications

WITHDRAWN APPLICATIONS	GENERAL	INCUBATOR	EQUITY	TOTALS
Delivery	8	15	23	46
Cultivator (Indoor)	3	12	30	45
Cultivator (Outdoor)	14	11	10	35
Distributor	2	18	26	46
Mfg. Volatile	2	9	17	28
Mfg. Non-Volatile	4	6	15	25
Transporter	3	1	11	15
Lab Testing	0	2	3	5
TOTALS	36	74	135	245

CANNABIS REGULATORY COMMISSION

ITEM E-1

**CITY OF OAKLAND
2020 CANNABIS BUSINESS TAX RATES & REBATE PROGRAMS**

SECTION 1: 2020 CANNABIS BUSINESS TAX RATES

1. What are the 2019 and prior tax rates?
 - A. 5% medical and 10% non-medical.

2. What are the new 2020 tax rates?
 - A. The 2020 tax rates are based on a combination of factors. The factors are:
 - i. Equity or General
 - ii. Gross Receipts Level
 - iii. The type of cannabis operation
 - iv. Medical cannabis and non-medical cannabis

Cannabis Business Tax Rates - 2020 Tax Year					
Total Gross Receipts	Retail	Indoor Cultivation	Outdoor Cultivation	Manufacturing, Packaging, Storage	Distribution
Up to \$1.5M Equity Only	0.12%	0.12%	0.12%	0.12%	0.12%
Up to \$500K	0.12%	0.12%	0.12%	0.12%	0.12%
\$500K+ - \$1.5M	5% Medical 6.5% Non-Medical	5% Medical 6.5% Non-Medical	5% Medical 6.5% Non-Medical	5% Medical 6.5 Non-Medical	5% Medical 6.5% Non-Medical
\$1.5M+ - \$5M	5% Medical 6.5% Non-Medical	5% Medical 6.5% Non-Medical	5% Medical 6.5% Non-Medical	5% Medical 6.5% Non-Medical	5% Medical 6.5% Non-Medical
Over \$5M	5% Medical 9.5% Non-Medical Non-Marginal	5% Medical 9.5% Non-Medical Non-Marginal	5% Medical; 9.5% Non-Medical	5% Medical 9.5% Non-Medical	5% Medical 9.5% Non-Medical

3. How are the 2020 tax rates calculated?
 - A. All adopted 2020 tax rates are marginal tax rates, except for Retail/Delivery and Indoor Cultivation cannabis businesses that generated more than \$5M in total gross receipts for 2019, which is used as the basis for 2020 Taxes or estimated* to generate more than \$5M in total gross receipts in 2020 for the 2020 Tax Year.

*Estimates used only for newly established businesses who have not yet operated for a full year or are renewing their business license for the first time in Tax Year 2020.

4. What are marginal and non-marginal tax rates?
 - A. Generally, marginal tax rate applies different tax rate at different level of gross receipts while non-marginal tax rate applies the tax rate to the entire amount of gross receipts.

5. What is an "Equity Cannabis Business"?
 - A. OMC Sections 5.80 and 5.81 define an "Equity Business" whose ownership or owner:
 - i. is an Oakland resident; and,
 - ii. in the last year, had an annual income at or less than 80 percent of Oakland Average Medium Income, which is to be adjusted for household size; and,
 - iii. either has lived in any combination of Oakland's Police Beat 2X, 2Y, 6X, 7X, 19X, 21X, 216, 23X, 26Y, 27X, 27Y, 29X, 30X, 30Y, 31Y, 32X, 33X, 34X, 5X, 8X AND 35X for at least 10 of the last 20 years or was arrested after November 5, 1996 and convicted of a cannabis crime committed in Oakland.

6. What is a "General Cannabis Business"?
 - A. A "General Business" is a cannabis business that is not an Equity Cannabis Business.
7. Will Revenue staff be responsible for determining whether a business is an Equity or a General Cannabis Business?
 - A. No. The City Administrator's Office of Cannabis Permits is responsible for determining whether a business is an Equity or a General Cannabis Business.
8. Will the new tax rates apply retroactively for prior tax year(s)?
 - A. No. Existing tax rates of 5% & 10% would be applicable to any person having subject to pay prior tax year(s). Cannabis businesses that began in 2019 and renewing for the first time in 2020 will be subject to the 2020 tax rates.
9. What are the applicable tax rate(s) for "Vertically Integrated Businesses"?
 - A. A "Vertically Integrated Business" is a business that produces gross receipts from more than one taxable activities/operations. Businesses must document and support its gross receipts for each taxable activity/operation within the chain supply and pay the taxes based on the applicable tax rate(s) for each activity/operation.

SECTION 2: 2020 CANNABIS TAX REBATE PROGRAMS

10. What are the conditions for the Cannabis Business Tax Rebate Programs?

2020 Cannabis Business Tax Rebate Programs			
Rebate Program	Rebate Conditions	Qualifying Period	Rebate Amount
Local Hiring Rebate (5.04.481.B.2.a.)	I. 30% of workforce consists of "Equity Employees"	182 Days	0.50%
	II. 25% of workforce consists of Equity Employees in "Essential Roles"	182 Days	0.50%
	III. 20% of workforce consists of Equity Employees in "Managerial Roles"	182 Days	0.50%
Equity Supply Chain (5.04.481.B.2.b.)	I. 30% of value of cannabis products delivered to the business were delivered by an Equity Businesses	365 Days	0.50%
	II. 25% of value of cannabis products delivered to the businesses were originally cultivated or manufactured by an Equity Business	365 Days	0.25%
Workforce Quality of Life (5.04.481.B.2.c.)	I. \$20/hr. with health benefits <u>or</u> \$25/hr. without health benefits for all employees employed	365 Days	0.50%
	II. 80% of total employees are full-time employees	365 Days	0.25%
Incubation (5.04.481.B.2.d.)	I. Provide free rent to Equity Business beyond the initial three-year period	Year 4th	1.50%
	II. Provide free rent to Equity Business in the tax year but does not seek "permitting priority"	365 Days	1.50%
<p>Maximum Tax Rebates: A minimum tax rate of three and one-half percent (3.5%) applies. Under no circumstances will a business be entitled to any rebates that would reduce the overall tax rate to less than three and one-half percent (3.5%) for 2020 Tax Year.</p> <p>Deadline to apply: Filing period is within fifteen (15) months of payment date (OMC 5.04.540)</p>			

11. Are there other required conditions for a cannabis business to be eligible for the tax rebates?
 - A. To be eligible for any rebate programs, the cannabis business must have timely and fully paid all business taxes owed for the year, including those that are on payment plans.

12. How will the tax rebate programs be administered?

- A. The tax rebate programs a refund of the taxes paid. Cannabis businesses must request for rebate/refund of the taxes paid within fifteen (15) months of the payment date. Please see chart above for specific qualifying periods.

13. How to submit a Rebate Application?

- A. Print out and complete the 2020 Cannabis Tax Rebates Application
Attach supporting documentation (see form)
Mail to the address shown on the form or
Email to Audit@OaklandCA.gov

14. Where's My Rebate?

- A. Cannabis businesses applying for the tax rebates should expect to receive an email confirming the receipt of **completed** form and documentation. Tax Rebate(s), either in the form of a check issued to the business or a credit to be credited to the business' tax accounts, are to be done within 60 days from the date of completed form and documentation are received.

SECTION 4: CONTACT INFO AND REFERRAL

Phone: (510) 238-3084
Email: Audit@OaklandCA.gov
In-Person: 150 Frank H Ogawa Plaza Ste 5342



CITY OF OAKLAND –2020 CANNABIS BUSINESS TAX REBATE APPLICATION

CITY OF OAKLAND

SECTION I – BUSINESS INFORMATION

- 1. Business Tax No.: _____
- 2. Mailing Address: _____
- 3. Business Name: _____
- 4. Business Location: _____

SECTION II – REBATE PROGRAM

Rebate Program	Rebate Conditions	Qualifying Period (Tax Year 2020)	Rebate Amount	Support Documentation Needed (see 2 nd page for more info)	To Apply CHECK BOX
Local Hiring Rebate (5.04.481.B.2.a.)	I. 30% of workforce consists of "Equity Employees"	182 Days	0.50%	Forms DE 9 and DE 9C, Quarterly Contribution Return and Report of Wages, filed with the CA Employment Development Department for two quarters for the qualifying year; AND Proof of residency <u>or</u> proof of conviction.	<input type="checkbox"/>
	II. 25% of workforce consists of Equity Employees in "Essential Roles"	182 Days	0.50%		<input type="checkbox"/>
	III. 20% of workforce consists of Equity Employees in "Managerial Roles"	182 Days	0.50%		<input type="checkbox"/>
Equity Supply Chain (5.04.481.B.2.b.)	I. 30% of value of cannabis products delivered to the business were delivered by an Equity Businesses	365 Days	0.50%	Company's Ledger demonstrating I and/or II	<input type="checkbox"/>
	II. 25% of value of cannabis products delivered to the business were originally cultivated or manufactured by an Equity Business	365 Days	0.25%		<input type="checkbox"/>
Workforce Quality of Life (5.04.481.B.2.c.)	I. \$20/hr. with health benefits <u>or</u> \$25/hr. without health benefits for all employees employed	365 Days	0.50%	Payroll Records demonstrating I and/or II	<input type="checkbox"/>
	II. 80% of total employees are full-time employees	365 Days	0.25%		<input type="checkbox"/>
Incubation (5.04.481.B.2.d.)	I. Provide free rent to Equity Business beyond the initial three-year period	Year 4th	1.50%	Executed Rental or Lease Agreement	<input type="checkbox"/>
	II. Provide free rent to Equity Business in the tax year but does not seek "permitting priority"	365 Days	1.50%	Executed Rental or Lease Agreement	<input type="checkbox"/>

Maximum Tax Rebates: A minimum tax rate of three and one-half percent (3.5%) applies. Under no circumstances will a business be entitled to any rebates that would reduce the overall tax rate to less than three and one-half percent (3.5%) for 2020 Tax Year.
Deadline to apply: Filing period is within fifteen (15) months of payment date (OMC 5.04.540)

SECTION III – SIGNATURE

I hereby declare, under penalty of perjury, that the information contained herein is to the best of my knowledge, true and complete.

Print Name	Title	Signature	Date
Phone Number: _____		Email Address: _____	

2020 Cannabis Tax Rebate Programs:

IMPORTANT NOTES

- 1. Rebate Limits (Minimum Tax Rate):** A minimum tax rate of three and one-half percent (3.5%) applies. Under no circumstances will a business be entitled to any rebates that would reduce the overall tax rate of less than three and one-half percent (3.5%) for 2020 Tax Year
- 2. Exceptions (Terms and Conditions):**
 1. Business may not claim more than one (1) rebate in any given year. (*Incubation Rebate Program only* (OMC 5.04.481(B)(2)(d))
 2. Business may not claim, over any number of years, more than five (5) rebates on the basis of free real estate or rent provided to any single Equity Applicant.
 3. Business may not claim for Workforce Quality of Life Rebate program unless it also qualifies for Local Hiring Rebate Program.
 4. Filing period is within fifteen months of payment date (OMC 5.04.540)
- 3. Supporting Documentation:** If businesses do not have the supporting documentation as outlined herein, businesses may provide other documentation that could prove eligibility. The City Administrator, or designee, reserves the right to further request documentary evidence proving eligibility.
- 4. Local Hiring Rebate Program:** This rebate program benefits eligible businesses up to the maximum of one and one-half percent (1.5%) rebates of the tax rate(s). To be eligible for the rebate, businesses must
 1. Meet the minimum percentage of the workforce in relation to the total workforce for each condition; and
 2. The number of employees making up the required minimum percentage are verified as "Equity Employees."

Definitions:

"Equity Employee" means an employee who lives in any combination of Oakland police beats 2X, 2Y, 6X, 7X, 19X, 21X, 21Y, 23X, 26Y, 27X, 27Y, 29X, 30X, 30Y, 31Y, 32X, 33X, 34X, 5X, 8X, and 35X and has lived in:

- i. Any combination of such police beats for the immediately preceding two (2) years; or
- ii. An employee who lives in Oakland (not subject to police beats specified above), was arrested after November 5th, 1996, and convicted of a cannabis crime in California.

"Essential Roles" means employment roles that are within the usual course of the hiring entity's business.

"Full Time Employee" means employment in which an employee is employed for at least thirty-six (36) hours per week.

"Managerial Roles" means employment roles that involve supervision of other employees or regular exercise of business judgment.

Required Documentation:

1. Form DE 9 and DE 9C, Quarterly Contribution Return and Report of Wages (Continuation) filed with the CA Employment Development Department ("EDD") for two quarters of the qualifying year. Additional information regarding EDD's filing requirements as employer can be obtained here: <https://tinyurl.com/vf4zt3a>; **AND**,
2. Proof of Residency or Proof of Conviction.
3. Organization Chart summarizing personnel reporting structure, title and name of employees.

- 5. Equity Supply Chain Rebate Program:** This rebate program benefits eligible businesses up to the maximum of seventy-five hundredths (0.75%) of the tax rate(s). To be eligible for the rebate, businesses must meet the minimum percentage of the value of cannabis products delivered in qualifying calendar year by an "Equity Business."

"Equity Business" means the applicant ownership/owner meets the following criteria:

1. Is an Oakland resident; and
2. In the last year, had an annual income at or less than eighty percent (80%) Oakland Area Median Income (AMI) Adjusted for household size; and
3. Either:
 - i. Has lived in any combination of Oakland Police Department Beats 2X, 2Y, 6X, 7X, 19X, 21X, 21Y, 23X, 26Y, 27X, 27Y, 29X, 30X, 30Y, 31Y, 32X, 33X, 34X, 5X, 8X and 35X for at least ten of the last twenty years or
 - ii. Was arrested after November 5, 1996 and convicted of a cannabis crime committed in Oakland, California.

Required Documentation:

1. Company's Ledger detailing beginning and year-end inventory and value of products, including the names and value of products delivered by suppliers.

- 6. Workforce Quality of Life Rebate Program:** Subject to limitation, this rebate program benefits eligible businesses up to the maximum of seventy-five hundredths (0.75%) rebates of the tax rate(s). To be eligible for the rebate, businesses must meet the minimum wage requirements or eighty percent (80%) of total employees are full-time employees.

Required Documentation:

1. Payroll records*

*Note: According to the *US Department of Labor, Wage and Hour Division*¹, the following is a list of the basic records that an employer must maintain:

- i. Employee's full name and social security number.
- ii. Address, including zip code.
- iii. Birth date, if younger than 19.
- iv. Sex and occupation.
- v. Time and day of week when employee's work week begins.
- vi. Hours worked each day.
- vii. Total hours worked each work week.
- viii. Basis on which employee's wages are paid (e.g., "\$9 per hour", "\$440 a week", "piecework")
- ix. Regular hourly pay rate.
- x. Total daily or weekly straight-time earnings.
- xi. Total overtime earnings for the workweek.
- xii. All additions to or deductions from the employee's wages.
- xiii. Total wages paid each pay period.
- xiv. Date of payment and the pay period covered by the payment.

- 7. Incubation:** Subject to limitation, this rebate program benefits eligible businesses up to the maximum of three percent (3%) rebates of the tax rate(s). To be eligible for the rebate, businesses must meet the required free rent provided to Equity Applicant.

Required Documentation:

1. Copy of fully executed rent/lease agreement.

¹ <https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/whdfs21.pdf>

CANNABIS REGULATORY COMMISSION

ITEM E-2

5.80.025 - Onsite consumption permit.

- A. A dispensary must obtain a secondary onsite consumption permit in order for cannabis to be consumed on the premises of the dispensary.
- B. An onsite consumption permit may be issued at the discretion of the City Administrator to existing dispensaries in good standing following a public hearing conducted according to the requirements of Chapter 5.02 and based on an evaluative point system that takes into consideration the operating history and business practices of the applicant, and any other factors that are deemed necessary to promote the peace, order and welfare of the public. An application for an onsite consumption permit may be denied for failure to meet requirements of the City Building Code, City Fire Code, City Planning Code, this chapter, and/or any violation of State or local law relevant to the operation of dispensaries.
- C. The City Administrator shall establish conditions of approval for each onsite consumption permit, including but not limited to a parking plan, ventilation plan, anti-drugged driving plan, and set hours of operation. Set hours of operation may only be adjusted by submitting a written request to and obtaining approval from the City Administrator's Office.
- D. The permit shall be subject to suspension or revocation in accordance with Section 5.80.070, and the owner/operator shall be liable for excessive police costs related to enforcement.
- E. The application fee and annual fee for the onsite consumption permit shall be specified in the City's Master Fee Schedule.
- F. All onsite consumption permits shall be special business permits and shall be issued for a term of one year. No property interest, vested right, or entitlement to receive a future license to operate a cannabis business shall ever inure to the benefit of such permit holder as such permits are revocable at any time with or without cause by the City Administrator subject to Section 5.80.070.

(Ord. 13464, § 3, 11-28-2017; Ord. No. 13424, § 3, 3-28-2017; Ord. No. 13370, § 3, 5-17-2016)



BUSINESS AND PROFESSIONS CODE - BPC

DIVISION 10. Cannabis [26000 - 26250] (*Heading of Division 10 amended by Stats. 2017, Ch. 27, Sec. 3.*)

CHAPTER 20. Local Control [26200 - 26202] (*Chapter 20 added November 8, 2016, by initiative Proposition 64, Sec. 6.1.*)

26200. (a) (1) This division shall not be interpreted to supersede or limit the authority of a local jurisdiction to adopt and enforce local ordinances to regulate businesses licensed under this division, including, but not limited to, local zoning and land use requirements, business license requirements, and requirements related to reducing exposure to secondhand smoke, or to completely prohibit the establishment or operation of one or more types of businesses licensed under this division within the local jurisdiction.

(2) This division shall not be interpreted to supersede or limit existing local authority for law enforcement activity, enforcement of local zoning requirements or local ordinances, or enforcement of local license, permit, or other authorization requirements.

(b) This division shall not be interpreted to require a licensing authority to undertake local law enforcement responsibilities, enforce local zoning requirements, or enforce local licensing, permitting, or other authorization requirements.

(c) A local jurisdiction shall notify the bureau upon revocation of any local license, permit, or authorization for a licensee to engage in commercial cannabis activity within the local jurisdiction. Within 10 days of notification, the bureau shall inform the relevant licensing authorities. Within 60 days of being so informed by the bureau, the relevant licensing authorities shall begin the process to determine whether a license issued to the licensee should be suspended or revoked pursuant to Chapter 3 (commencing with Section 26030).

(d) For facilities issued a state license that are located within the incorporated area of a city, the city shall have full power and authority to enforce this division and the regulations promulgated by the bureau or any licensing authority, if delegated by the state. Notwithstanding Sections 101375, 101400, and 101405 of the Health and Safety Code or any contract entered into pursuant thereto, or any other law, the city shall assume complete responsibility for any regulatory function pursuant to this division within the city limits that would otherwise be performed by the county or any county officer or employee, including a county health officer, without liability, cost, or expense to the county.

(e) (1) This division does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair event, district agricultural association event, or at another venue expressly approved by a local jurisdiction for the purpose of holding temporary events of this nature, provided that the activities, at a minimum, comply with all the following:

(A) The requirements of paragraphs (1) to (3), inclusive, of subdivision (g).

(B) All participants who are engaged in the onsite retail sale of cannabis or cannabis products at the event are licensed under this division to engage in that activity.

(C) The activities are otherwise consistent with regulations promulgated and adopted by the bureau governing state temporary event licenses.

(D) A state temporary event license shall only be issued in local jurisdictions that authorize such events.

(E) A licensee who submits an application for a state temporary event license shall, 60 days before the event, provide to the bureau a list of all licensees that will be providing onsite sales of cannabis or cannabis products at the event. If any changes occur in that list, the licensee shall provide the bureau with a final updated list to reflect those changes. A person shall not engage in the onsite retail sale of cannabis or cannabis products, or in any way participate in the event, who is not included in the list, including any updates, provided to the bureau.

(2) The bureau may impose a civil penalty on any person who violates this subdivision, or any regulations adopted by the bureau governing state temporary event licenses, in an amount up to three times the amount of the license fee for each violation, consistent with Sections 26018 and 26038.

(3) The bureau may require the event and all participants to cease operations without delay if in the opinion of the bureau or local law enforcement it is necessary to protect the immediate public health and safety of the people of the state. The bureau may also require the event organizer to immediately expel from the event any participant selling cannabis or cannabis products without a license from the bureau that authorizes the participant to sell cannabis or cannabis products. If the unlicensed participant does not leave the event, the bureau may require the event and all participants to cease operations immediately.

(4) The order by the bureau for the event to cease operations pursuant to paragraph (3) does not entitle the event organizer or any participant in the event to a hearing or an appeal of the decision. Chapter 3 (commencing with Section 490) of Division 1.5 and Chapter 4 (commencing with Section 26040) of this division shall not apply to the order by the bureau for the event to cease operations pursuant to paragraph (3).

(5) The smoking of cannabis or cannabis products at temporary events authorized pursuant to this subdivision is prohibited in locations where smoking is prohibited. For purposes of this section, "smoking" has the same meaning as defined in subdivision (c) of Section 22950.5.

(f) This division, or any regulations promulgated thereunder, shall not be deemed to limit the authority or remedies of a city, county, or city and county under any provision of law, including, but not limited to, Section 7 of Article XI of the California Constitution.

(g) Notwithstanding paragraph (1) of subdivision (a) of Section 11362.3 of the Health and Safety Code, a local jurisdiction may allow for the smoking, vaporizing, and ingesting of cannabis or cannabis products on the premises of a retailer or microbusiness licensed under this division if all of the following are met:

(1) Access to the area where cannabis consumption is allowed is restricted to persons 21 years of age or older.

(2) Cannabis consumption is not visible from any public place or nonage-restricted area.

(3) Sale or consumption of alcohol or tobacco is not allowed on the premises.

(h) This division shall not be interpreted to supersede Section 6404.5 of the Labor Code.

(Amended by Stats. 2018, Ch. 749, Sec. 1. (AB 2020) Effective January 1, 2019. Note: This section was added on Nov. 8, 2016, by initiative Prop. 64.)



HEALTH AND SAFETY CODE - HSC

DIVISION 10. UNIFORM CONTROLLED SUBSTANCES ACT [11000 - 11651] (*Division 10 repealed and added by Stats. 1972, Ch. 1407.*)

CHAPTER 6. Offenses and Penalties [11350 - 11392] (*Chapter 6 added by Stats. 1972, Ch. 1407.*)

ARTICLE 2. Cannabis [11357 - 11362.9] (*Heading of Article 2 amended by Stats. 2017, Ch. 27, Sec. 121.*)

11362.1. (a) Subject to Sections 11362.2, 11362.3, 11362.4, and 11362.45, but notwithstanding any other provision of law, it shall be lawful under state and local law, and shall not be a violation of state or local law, for persons 21 years of age or older to:

- (1) Possess, process, transport, purchase, obtain, or give away to persons 21 years of age or older without any compensation whatsoever, not more than 28.5 grams of cannabis not in the form of concentrated cannabis;
- (2) Possess, process, transport, purchase, obtain, or give away to persons 21 years of age or older without any compensation whatsoever, not more than eight grams of cannabis in the form of concentrated cannabis, including as contained in cannabis products;
- (3) Possess, plant, cultivate, harvest, dry, or process not more than six living cannabis plants and possess the cannabis produced by the plants;
- (4) Smoke or ingest cannabis or cannabis products; and
- (5) Possess, transport, purchase, obtain, use, manufacture, or give away cannabis accessories to persons 21 years of age or older without any compensation whatsoever.

(b) Paragraph (5) of subdivision (a) is intended to meet the requirements of subsection (f) of Section 863 of Title 21 of the United States Code (21 U.S.C. Sec. 863(f)) by authorizing, under state law, any person in compliance with this section to manufacture, possess, or distribute cannabis accessories.

(c) Cannabis and cannabis products involved in any way with conduct deemed lawful by this section are not contraband nor subject to seizure, and no conduct deemed lawful by this section shall constitute the basis for detention, search, or arrest.

(*Amended by Stats. 2017, Ch. 27, Sec. 129. (SB 94) Effective June 27, 2017. Note: This section was added on Nov. 8, 2016, by initiative Prop. 64.*)



HEALTH AND SAFETY CODE - HSC

DIVISION 10. UNIFORM CONTROLLED SUBSTANCES ACT [11000 - 11651] (*Division 10 repealed and added by Stats. 1972, Ch. 1407.*)

CHAPTER 6. Offenses and Penalties [11350 - 11392] (*Chapter 6 added by Stats. 1972, Ch. 1407.*)

ARTICLE 2. Cannabis [11357 - 11362.9] (*Heading of Article 2 amended by Stats. 2017, Ch. 27, Sec. 121.*)

(a) Section 11362.1 does not permit any person to:

11362.3. (1) Smoke or ingest cannabis or cannabis products in a public place, except in accordance with Section 26200 of the Business and Professions Code.

(2) Smoke cannabis or cannabis products in a location where smoking tobacco is prohibited.

(3) Smoke cannabis or cannabis products within 1,000 feet of a school, day care center, or youth center while children are present at the school, day care center, or youth center, except in or upon the grounds of a private residence or in accordance with Section 26200 of the Business and Professions Code and only if such smoking is not detectable by others on the grounds of the school, day care center, or youth center while children are present.

(4) Possess an open container or open package of cannabis or cannabis products while driving, operating, or riding in the passenger seat or compartment of a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation.

(5) Possess, smoke, or ingest cannabis or cannabis products in or upon the grounds of a school, day care center, or youth center while children are present.

(6) Manufacture concentrated cannabis using a volatile solvent, unless done in accordance with a license under Division 10 (commencing with Section 26000) of the Business and Professions Code.

(7) Smoke or ingest cannabis or cannabis products while driving, operating a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation.

(8) Smoke or ingest cannabis or cannabis products while riding in the passenger seat or compartment of a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation except as permitted on a motor vehicle, boat, vessel, aircraft, or other vehicle used for transportation that is operated in accordance with Section 26200 of the Business and Professions Code and while no persons under 21 years of age are present.

(b) For purposes of this section, the following definitions apply:

(1) "Day care center" has the same meaning as in Section 1596.76.

(2) "Smoke" means to inhale, exhale, burn, or carry any lighted or heated device or pipe, or any other lighted or heated cannabis or cannabis product intended for inhalation, whether natural or synthetic, in any manner or in any form.

"Smoke" includes the use of an electronic smoking device that creates an aerosol or vapor, in any manner or in any form, or the use of any oral smoking device for the purpose of circumventing the prohibition of smoking in a place.

(3) "Volatile solvent" means a solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

(4) "Youth center" has the same meaning as in Section 11353.1.

(c) Nothing in this section shall be construed or interpreted to amend, repeal, affect, restrict, or preempt laws pertaining to the Compassionate Use Act of 1996.

(Amended by Stats. 2017, Ch. 27, Sec. 131. (SB 94) Effective June 27, 2017. Note: This section was added on November 8, 2016, by initiative Proposition 64.)

Proposed Cannabis Consumption Regulations

Based on my review of several protocols and rules which are in place in Los Angeles, San Francisco and other cities in California, I request that the City of Oakland adopt a program as outlined below:

All cannabis consumption areas in the city shall operate in conformance with the following operating requirements

- A. An onsite consumption permit may be issued at the discretion of the City Administrator following a public hearing conducted and based on an evaluative point system that takes into consideration the operating history and business practices of the applicant. Along with any other factors that are deemed necessary to promote the peace, order and welfare of the public.
 - a. An application for an onsite consumption permit may be denied for failure to meet the requirements of the City Building Code, City Fire Code, City Planning Code and/or any violation of state or local law relevant to the operation of dispensaries and/or cannabis consumption lounges.
- B. A permitted dispensary must obtain an onsite consumption permit in order for cannabis to be consumed on the premises of the dispensary.
 - a. The dispensary must remain in good standing following a public hearing according to the requirements of chapter 5.02.
- C. The City Administrator shall establish conditions of approval for each onsite consumption permit, including but not limited to a parking plan, a ventilation plan, and an anti drugged driving plan.
 - a. The application fee and annual fee for the onsite consumption permit shall be specified in the City's Master Fee Schedule.
 - b. The permit shall be subject to suspension or revocation in accordance with section 5.80.070 and the owner/operator shall be liable for excessive police costs related to enforcement.
- D. All onsite consumption permits shall be special business permits. No property interest, vested right or entitlement to receive a future license to operate a cannabis business shall ever inure to the benefit of such permit holder as such permits are revocable at any time with or without cause by the City Administrator subject to Section 5.80.070.

1. Cannabis consumption areas that allow smoking and vaping shall comply with chapter 8.30.030 of the Oakland smoking ordinance.
2. Security shall comply with the following minimum standards:
 - a. Cannabis consumption areas shall provide adequate security and lighting on site to ensure the safety of persons and protect the premises from theft at all times, in conformance with the security plan submitted with the license application.
 - b. All security guards employed by cannabis consumption areas shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card" at all times.
 - c. Cannabis consumption areas shall provide a neighborhood security guard patrol surrounding the business during all hours of operation.
3. Hours of operation shall be limited to: Monday through Sunday, 6 a.m. to 2 a.m. , or as further limited by the State.
4. Cannabis consumption areas shall notify patrons of the following verbally and through posting of a sign.
 - a. Entry into the premises by persons under the age of twenty one is prohibited.
5. Cannabis consumption areas shall only provide cannabis to an individual in an amount consistent with personal possession and use limits allowed by the state.
6. Cannabis consumption areas shall provide law enforcement and all neighbors within one hundred feet of the business with the name and phone number of an onsite community relations employee to notify if there are any operational problems with the establishment.
7. Cannabis consumption area operators shall attend regular meetings with the City of Oakland.
8. Cannabis consumption areas shall sell cannabis only from the following source:
 - a. From an offsite location where cannabis is cultivated in accordance with applicable state law and zoning regulations in the jurisdiction where it is cultivated.
9. Cannabis consumption areas shall have a responsible person on the premises to act as a manager and supervise employees at all times during business hours. A CPR trained owner, manager or employee must also be present during business hours.

10. An odor absorbing ventilation and exhaust system must be installed so that odor generated inside the business is not detected outside the property or lease area boundaries.
11. Depending on the type of cannabis consumption business license issued by the City, the consumption area shall be limited to one of the following cannabis consumption methods:
 - a. Consumption of cannabis by smoking, vaping, and ingestion; or - 16 total
 - b. Consumption by ingestion only - 16 total
 - c. Retail Storefront and Consumption combination - Existing business
12. Cannabis consumption areas shall be permitted subject to the following requirements:
 - a. Cannabis consumption areas shall not be visible to the public or by any person under 21 years of age.
 - b. There shall be no onsite sale of alcohol, and no onsite consumption of alcohol products by employees.
 - c. No one under 21 years of age is allowed within the consumption lounge area.
 - d. Cannabis consumption areas that are ancillary to adult or medical - use retail shall also comply with the following.
 - i. The space devoted to cannabis consumption shall not exceed fifty percent of the total floor area of the adult or medical - use retail space.
 - ii. Cannabis consumption areas shall be well - ventilated private areas that are partitioned off from access to all other areas of the retail establishment and are designed to prevent the flow of smoke to any other area of the establishment.
13. Conduct of Patrons. The cannabis consumption area shall do the following to encourage appropriate conduct among patrons.
 - a. Make an announcement at closing requesting patrons to respect the residents by being quiet when leaving;
 - b. Post signs at locations clearly visible within the consumption area and at both on and off site parking areas, requesting patrons to respect residents of adjacent residential neighborhoods by being quiet when leaving and reminding patrons of the existence of permit parking districts within the neighborhoods adjacent to the consumption area.
 - c. Cut off service to impaired patrons and provide information on car services. Lounges will then implement their own anti drugged driving policy.

14. Employee Training and Customer Education.
 - a. The business shall train their employees about the various products the consumption area sells, especially potency.
 - b. Employees shall educate all customers to the items mentioned in subsection (a), in an effort to ensure responsible consumption.
15. Noise. The structure housing the consumption area shall be adequately sound proofed so that interior noise is not audible beyond the property line.
16. The management of the consumption area shall:
 - a. Place and properly maintain solid waste receptacles and recycling bins, in sufficient numbers and locations to service the needs of the proposed use at the real business periods.
 - b. Ensure that the consumption area property and all areas within at least 100 feet of the consumption area are free of any waste or litter generated by use, by 7:00 a.m. following each night of operations.
17. A restroom that can be used by the customers. All plumbing fixtures installed inside the restroom shall be installed in compliance with applicable local plumbing ordinances. Hand washing facilities shall be equipped to provide warm water under pressure for a minimum of 15 seconds through a mixing valve or combination faucet.
18. If the temperature of water provided to a handwashing sink is not readily adjustable at the faucet, the temperature of the water shall be at least 100 degrees Fahrenheit, but not greater than 108 degrees Fahrenheit. The water supply shall be from a water system approved by the health officer or the local enforcement agency.
19. Shatterproof lighting over the area where people are eating the cannabis product. Lighting shall be shielded, coated or otherwise shatter - resistant. Shatterproof lighting shall be installed in areas designated for cannabis consumption.
20. Floor and walls shall be constructed so as to be smooth, durable, non absorbent and easy to clean.
21. Handwashing sink inside the preparation area shall be installed in compliance with applicable local plumbing ordinances, shall be maintained so as to prevent any contamination, and shall be kept clean, fully operative, and in good repair.
22. Three compartment sink with two integral drainboards for manually washing, rinsing and sanitizing equipment and utensils. Sink compartments shall be large enough to accommodate immersion of the largest utensil being used in daily operations.
23. Cannabis product preparation or handling areas shall be finished with a commercial grade floor material that is smooth, durable, nonabsorbent and easy to clean. Walls inside the cannabis preparation or handling area shall be finished with a commercial grade material and shall be smooth, durable, nonabsorbent and easy to clean.