FREQUENTLY ASKED QUESTIONS:

Cannabis Regulations and Cannabis Business Permit Application Procedures and Guidelines (UPDATED October 15, 2020 at 3:00PM)

*Updates are underlined for ease of reference. FAQs will be updated on City business days. For information on City business days, please refer to the City’s website.*

General Questions about Application Process after Application Submittal Deadline has closed

1. **Will the City provide the final number of applications that it received by the October 15, 2020 5:00pm deadline?**

   Yes. Following the close of the October 15, 2020 5:00pm deadline, the City will post to the FAQ the number of applications received by the deadline. Please continue to check the FAQ for updates.

2. **After I’ve submitted my application and the application period has closed, whom do I contact with any questions about the application process?**

   In accordance with the Application Procedures and Guidelines, questions about the application process from applicants after the application submittal should be made in writing and the City will share questions and responses with applicants on the City’s website in the FAQ (See pages 6-7). Please continue to check the FAQ for updates.

   If you have questions about the application process, please send an EMAIL to Peggy Beeuwsaert peggy.beeuwsaert@cityoftracy.org. Please DO NOT CALL regarding your inquiry. No oral responses will be provided.
Application Deadline Extension

1. Why was the deadline extended to submit an application for a Cannabis Business Permit?

During the application submittal period, the City received numerous questions seeking to clarify various application requirements. The City responded to these questions via the Frequently Asked Questions (FAQ) section of the City’s website, as stated in the Cannabis Business Permit Application Guidelines. Even with several updates to the FAQ, the City continued to receive questions seeking additional clarifications.

The clarifications requested pertain to the following items:

A. The City received questions regarding the documentation needed to comply with Tracy Municipal Code Section 6.36.050 and the Application Procedures and Guidelines requirements to demonstrate tax compliance. Applicants expressed concern that the City may have been requiring or asking them to submit an individual’s personal financial statements or tax returns, based on the definition of “Applicant” in Tracy Municipal Code Section 6.36.012.

Please be advised that applicants submitting information to demonstrate the business operation’s tax compliance will be required to provide a copy of the business entity’s most recent year’s financial statement and tax returns, if applicable. Applicants are not required, nor being asked, to submit an individual’s financial statement or tax return information.

Applicants are asked to submit the business entity’s most recent year’s financial statement and tax return in a sealed envelope, marked, “Confidential/Proprietary.” The City will not duplicate the financial statement and tax return and will return these documents to the applicant after the application review has concluded.

This clarification applies to all applications, including those that have already been submitted. The purpose of this clarification is to prevent unnecessary personal tax information from being submitted to the City.

B. The City received questions requesting clarification on the requirement that an “Owner” applying for a cannabis business permit apply for a background check, or the need to list certain individual(s) as an “Owner” on page 2 of the cannabis business permit application form. Specifically, applicants asked the City to clarify the definition of “Owner,” as it was provided on page 2 of the cannabis business permit application form. The definition of “Owner,” on page 2 is consistent with the language in Tracy Municipal Code Section 6.36.012, but no reference was made to this section of the cannabis business permit application form. The text of the definition of “Owner” can be found in Tracy Municipal Code Section 6.36.012 of Chapter 6.36, here.
In addition, applicants sought clarification on the use of the word “person” as it is used in the definition, above. In some instances, the City was made aware that applicants misunderstood the use of the word “person” to mean only the individual who would submit the application to the City, and thus would inadvertently omit a qualifying individual from the application or from completing the background check application.

The text of the definition of “Person” can be found in Tracy Municipal Code Section 6.36.012 of Chapter 6.36, here.

This clarification applies to all applications, including those that have already been submitted. The purpose of this clarification is to prevent unnecessary information or background check applications from being submitted regarding individual(s) who do not qualify as an “owner” under the Tracy Municipal Code; or, from inadvertently omitting individuals who needed to be included in the application documents or apply for a background check.

C. The City received comments that the City’s Guidelines were not clear as they relate to whether or not owners had to submit to more than one background check if filing more than one application.

Please be advised, that if an “Owner” is the same individual listed on more than one application (i.e., the individual is an owner of multiple businesses), only one background check application is required. Further, if the application submitted is for one business entity, but for multiple cannabis business types, only one background check application per owner is required.

This clarification applies to all applications, including those that have already been submitted. The purpose of this clarification is to prevent unnecessary submission of multiple background check applications.

D. The City received questions about the ability to make amendments to applications submitted or to amend or withdraw background check applications that had been submitted. Applicants requested the City clarify the prohibition on amendments to applications on page 3 of the Application Procedures and Guidelines.

The City has authorized applicants who previously submitted an application to re-submit the application by the new deadline. If an applicant chooses to re-submit an application by the new deadline, the applicant will not be permitted to make any further amendments after re-submitting. Any applicant submitting an application for the first time will not be permitted to amend the application after it has been submitted.

Following the close of the new deadline, applicants who qualify to proceed to Phase 3 will be notified by the City of their eligibility and ability to submit information pertaining to the proposed community benefit. Also at Phase 3, qualifying applicants will be required to submit the Notarized Owner’s Statement of Consent Form, unless the
applicant qualifies for a waiver, as provided on page 4 of the Application Procedures and Guidelines.

It is important to the City to provide these clarifications and to provide applicants with equal access to this information, as they have an effect on the materials submitted and the fees paid to the City.

2. **Is this extension legal since the initial application process received a vote of the Council?**

   Yes, the City’s Application Procedures and Guidelines adopted by the City Council anticipate updates to the FAQs, and updates to any of the submittal requirements. The filing date is a submittal requirement.

   Page 2 of the Application Procedures and Guidelines states, under the City’s Reservation of Rights: “...The City may modify, postpone, or cancel the application submittal date for a Cannabis Business Permit application without liability, obligation, or commitment to any party, firm, or organization.”

3. **Can you provide the number of cannabis dispensary applications that were submitted by the 9/30 deadline?**

   The City received 28 applications for the retail-storefront (dispensary) permits. The total number of applications received by the September 30, 2020 deadline, including those for retail-storefront (dispensary) permits, is 36.
Application Appointments; Payment of Application Fee / Forms of Payment Accepted

1. How do I collect a previously submitted cannabis dispensary permit application or submit a new application? Please let me know the procedure to do this.

The City will be accepting applications until 5:00pm (PST) on October 15, 2020 by appointment or mail only. NO WALK-IN SUBMITTALS WILL BE ACCEPTED BY THE CITY. NO WALK-IN COLLECTION OF PREVIOUSLY SUBMITTED APPLICATION MATERIALS WILL BE ACCEPTED BY THE CITY. The City will schedule, via email only, appointments for only the following actions:

1) Collection of a previously submitted application. This appointment type is for those applicants solely interested in picking up their previously submitted application. In order to have your materials returned, the person identified in the appointment must be the person collecting the application and they must present a matching photo identification in order for the application to be returned. These appointment types will have a maximum duration of 15 minutes.

2) Collection of a previously submitted application AND Resubmittal of an application. This appointment type is for those applicants who desire to collect their application, make changes to it at the City Hall front counter (for example, change our certain pages, thumb drive, etc.) and re-submit it to the City. The same requirements for a photo ID matching the person in the calendared appointment apply. These appointment types will have a maximum duration of 30 minutes.

3) Submittal of an application. This appointment type is for those individuals who desire to solely use their appointment time to submit an application. These appointment types will have a maximum duration of 15 minutes.

The City understands that applicants may desire to collect their application materials at a different time than re-submittal. In these instances BOTH an appointment to collect the application AND an appointment to re-submit/submit will be required.

2. How do I schedule an appointment, as provided in FAQ #1, above? Can someone other than an owner of a cannabis business attend the appointment?

Please send an EMAIL to Peggy Beeuwaert peggy.beeuwaert@cityoftracy.org to request and schedule an appointment. Please DO NOT CALL to request, inquire about, or schedule an appointment. No oral responses will be provided.

In your request for an appointment, please identify the person who will come to the appointment. The listed person does not have to be an owner of a cannabis business. The listed person will be required to show photo identification at the appointment.
3. If I mailed in my application, how do I get it back?

The City will not return applications by mail; you can make an appointment to collect it, as provided in FAQs #1 and #2, above.

4. FedEx is delivering the application package. The delivery agent will have FedEx ID but will not be wearing a FedEx uniform as they are a third party courier. Will that be an issue?

No, that will not be an issue.

5. How do I collect a check that has already been deposited with the City for a previously submitted application, or can it be used for the re-submitted application?

The City will allow previously deposited checks to remain with the City and applied to the re-submitted application, provided they are of the required form of payment. If you already have your receipt of payment, please bring it to your appointment. If you do not yet have a receipt, at your appointment, you will be provided with the receipt. It is the responsibility of the applicant to understand and comply with the acceptable payment types identified by the City in the Guidelines, page 6. For example, the City will NOT accept personal or business checks, cash, or credit card.

6. I would like 2 appointments on the latest date possible and am wondering if I can have someone come and pick up those binders and thumb drive or if you prefer they just be swapped out on the date of application.

Please see response to FAQ #1 above related to the logistics of resubmittal.

7. What forms of payment will the City accept for the application fee?

It is the responsibility of the applicant to understand and comply with the acceptable payment types identified by the City in the Guidelines, page 6. The City will NOT accept personal or business checks, cash, or credit card.

8. Can you please advise if we should make the check payable to the City of Tracy? Will a standard check from the applicant’s business account suffice for payment? I know it says money order, cashiers or certified check in the guidelines but the client wanted me to ask.

As stated on page 6 of the Guidelines, checks shall be payable to the City of Tracy. No personal or business checks will be accepted by the City.

9. Can a check be dropped off separately from the application and can it be a business or personal check?

No.
10. I provided a personal or business check when I submitted my application, will the City accept that form of payment?

The City will NOT accept personal or business checks, cash, or credit card. If you submitted a form of payment that is not accepted, you will need to schedule an appointment in accordance with FAQ #1 and 2 above in the Application Appointments; Payment of Application Fee / Forms of Payment Accepted section.

11. I have items that I want to replace in my application materials, can I email them to the City to print and replace in my application materials?

No. Please see collection of a previously submitted application and re-submittal instructions in FAQ #1, above. Please also see the procedure for scheduling an appointment in FAQ #2, above.
General; Application Procedures and Guidelines

1. **What is the Control, Regulate, and Tax Adult Use of Marijuana Act (Proposition 64)?**

   The Control, Regulate, and Tax Adult Use of Marijuana Act ("AUMA") (Proposition 64) was a 2016 voter initiative to legalize nonmedical, recreational cannabis in California. The initiative passed with 57% voter approval and became law on November 9, 2016. Under the AUMA, persons over 21 years of age may possess, consume, and cultivate non-medical, recreational cannabis in California. The AUMA also created a statewide regulatory framework for the cultivation, production, and sale of non-medical, recreational cannabis for adult use.

2. **What is the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)?**

   In June 2017, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) [Senate Bill 94] was adopted, which merged two existing laws, the Medical Cannabis Regulation and Safety Act (MCRSA) and the Adult Use of Marijuana Act (AUMA), creating a statewide comprehensive regulatory system for medical and adult use commercial cannabis activity.

3. **What permits do I need to start a cannabis business?**

   In order to operate a cannabis business in Tracy, you will need a Cannabis Business Permit issued by the City of Tracy, a Conditional Use Permit (CUP) issued by the City's Planning Division and a license issued by the State of California, or one of its departments or divisions, under MAUCRSA. Should a tenant improvement be needed or if previous building modifications were done without a permit, the applicant will need to obtain a construction permit through the Building and/or Fire department.

4. **Do I need a State license to operate a commercial cannabis business?**

   Yes. All commercial cannabis businesses must have a valid State license to operate in Tracy. In addition, the State will require evidence that an applicant is in compliance with all City regulations and ordinances prior to issuing a State license. More information can be found on the State Bureau of Cannabis Control’s website at [http://www.bcc.ca.gov/](http://www.bcc.ca.gov/).

5. **Can a cannabis business owner hold a license from the State Division of Alcoholic Beverage Control?**

   Under state law, an owner cannot hold an ABC license for any premises licensed for cannabis activities (i.e., the ABC license and cannabis license cannot be for the same premises) and is prohibited from selling alcoholic beverages at any premises licensed
for cannabis activities. However, state law does not restrict an owner from holding an ABC license for any other premises.

6. **Is a cannabis business permit transferable?**

   Cannabis business permits issued by the City of Tracy are not property and have no value. Cannabis business permits may not be transferred, sold, or assigned, unless done in compliance with Tracy Municipal Code Section 6.36.130. Any attempt to directly or indirectly assign, sell, or transfer a cannabis business permit or ownership interest in a cannabis business permit shall be unlawful and void, and shall be deemed a ground for revocation of the cannabis business permit.

7. **Can the ownership structure on a cannabis business permit change? For example, could an owner sell his/her interest in the business after it begins operations?**

   Changes in ownership of a permittee’s business structure or a substantial change in ownership of a permittee business entity (changes that result in a change of more than 51% of the original ownership), must be approved by the Police Chief or designee(s) through the transfer process contained in Tracy Municipal Code Section 6.36.130 (See answer to Number 5, above). Failure to comply with this requirement is grounds for revocation of the cannabis business permit.

8. **Where can I find the State regulations?**

   Regulations for the three State agencies that license and regulate cannabis can be found as follows:

   - Retail (storefront and non-storefront), distribution, testing laboratories, and microbusinesses are licensed and regulated by the [Bureau of Cannabis Control](https://bcc.ca.gov/);
   - Cultivation is licensed and regulated by the [California Department of Food and Agriculture](http://calcannabis.cdfa.ca.gov/);
   - Manufacturing is licensed and regulated by the [California Department of Public Health](https://www.cdph.ca.gov/Programs/CEH/DFDCS/MCSB/Pages/MCSB.aspx).

   The State also provides responses to FAQs at the sites listed below.

   - [https://bcc.ca.gov/](https://bcc.ca.gov/)
   - [http://calcannabis.cdfa.ca.gov/](http://calcannabis.cdfa.ca.gov/)
   - [https://www.cdph.ca.gov/Programs/CEH/DFDCS/MCSB/Pages/MCSB.aspx](https://www.cdph.ca.gov/Programs/CEH/DFDCS/MCSB/Pages/MCSB.aspx)
   - [https://cannabis.ca.gov/faqs/](https://cannabis.ca.gov/faqs/)
9. Could the word ‘Cannabis’ be used in business name, logo graphics, marketing, or merchandise by the commercial cannabis business applicant?

Yes, use of the word ‘Cannabis’ is allowed for these purposes.

10. Can I feature cannabis, cannabis products, graphics depicting cannabis or cannabis products (such as in a logo) on the exterior of a property issued a cannabis business permit?

No. Tracy Municipal Code Section 6.36.320 prohibits cannabis, cannabis products, graphics depicting cannabis or cannabis products from being visible from the exterior of any property issued a cannabis business permit, or on any of the vehicles owned or used as part of the cannabis business. This Section does not prohibit a cannabis business from having a logo depicting cannabis that is used on the business’s branded merchandise or advertising.

11. Where can I file a complaint against a Cannabis business?

You can report it through Government Outreach on the City’s website.

12. Is the Cannabis Business Permit application form posted on the City’s website final?

The application form dated 8/20/20 that is posted on the City’s web page titled “Regulations on Commercial Cannabis Activities in the City of Tracy” is final. The Cannabis Business Permit Application Procedures and Guidelines, located on the same page, were approved by the City Council on July 21, 2020.

13. When do you expect the application period to open?

The application period will open on September 1, 2020 and will close at 3:00 p.m. on September 30, 2020. The application period has been extended – See FAQ #1 in the Application Deadline Extension section.

14. Will there be multiple application periods, or an extended period of time, during which applications for non-retail storefront Cannabis Business Permits will be accepted?

There will be one application period per year, during which the City will accept applications for all Permit types. The 2020 application cycle runs from September 1 to September 30, 3:00 p.m. The application period has been extended – See FAQ #1 in the Application Deadline Extension section.

Retail Storefront Permits: The City may issue a maximum of 4 Retail Storefront permits. Following the 2020 application cycle and issuance of any permits, the City will determine if Retail Storefront permits become available and if and when to open an application period for any available permits.

15. How do I apply and what are the fees?
Information with regard to fees and how to submit your application can be found on the “Regulations on Commercial Cannabis Activities in the City of Tracy” page, located under the Open Gov tab of the City’s website. If you have questions regarding application submittal, please contact Peggy Beeuwsaert, Planning Technician, at (209) 831-6433 or Peggy.Beeuwsaert@CityofTracy.org.

16. Is it permissible for one person to apply for multiple permits under different business entities? In other words, if an individual has 25% ownership in multiple businesses, and those apply for separate permits, is there any prohibition on that?

There is no limit to the number of times an individual can apply for a Cannabis Business Permit under different business entities. However, per state law, a person that holds a testing laboratory license is prohibited from licensure for any other activity, except testing. Under the MAUCRSA, “person” includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

17. Is there a limit to the number of permits a cannabis business can obtain?

The City does not have a limit on the number of cannabis business permits a business can hold. However, per state law, a business that holds a testing laboratory license cannot hold any other license for any other cannabis business type.

18. Page 2 of the Commercial Cannabis Business Permit application form states as follows: Must be completed by all owners. Owners are any of the following: (1) A person with an aggregate ownership interest of five percent or more in the person applying for a permit or a permittee, unless the interest is solely a security, lien, or encumbrance; (2) The chief executive officer and the members of the board of directors of the entity engaging in the cannabis business; (3) an individual who will be participating in the direction, control, or management of the person applying for a City cannabis business permit. Can you define the term “person”?

“Person,” as it is defined in Chapter 6.36 of the Tracy Municipal Code, “includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.”

19. Are applicants required to hold a Business License from the City of Tracy at the time of application?

Applicants are not required to hold a City Business License, nor are they required to demonstrate that they are pursuing one, at the time of application. Applicants who are awarded a Cannabis
Business Permit will be required to obtain a Conditional Use Permit and a City Business License, in addition to other requirements.

20. **Will individual financial statements and tax returns of each owner/applicant be required upon application submittal?**

Please be advised that applicants submitting information to demonstrate the business operation’s tax compliance will be required to provide a copy of the business entity’s most recent year’s financial statement and tax returns, if applicable. Applicants are not required, nor being asked, to submit an individual’s financial statement or tax return information.

Applicants are asked to submit the business entity’s most recent year’s financial statement and tax return in a sealed envelope, marked, “Confidential/Proprietary.” The City will not duplicate the financial statement and tax return and will return these documents to the applicant after the application review has concluded.

21. **Is proof of general liability insurance due at the time of application?**

Applicants whose business is operational are required to provide proof of general liability insurance upon application submittal.

22. **Do I first need to obtain a rental agreement for a property in order to apply for a Cannabis business permit?**

No, though an applicant for a cannabis business permit must submit a notarized property owner consent form prior to Phase 3 of the application process, unless the applicant scores high in the Local Preference Plan or in the Social Equity Plan to qualify for a waiver from this requirement until after conditional award of a cannabis business permit.

23. **What is the Social Equity Plan in the cannabis business permit application?**

The Social Equity Plan is a category within the merit-based selection criteria in the Cannabis Business Permit Application. Commercial cannabis business permit applicants are to describe the business’s efforts currently made, and/or to be implemented in the future, to address any of the Social Equity Plan criteria. To view the description of the Social Equity Plan criteria, please refer to the merit-based selection criteria in Appendix A of the Cannabis Business Permit Application Procedures and Guidelines. Applicants scoring 85% of 13 points in the Social Equity Plan are eligible for a waiver from the requirement to submit a notarized
24. Are applicants required to submit materials on Local Preference Plan and Social Equity Plan Merit Based Scoring Criteria?

Yes; applicants are required to submit materials for all merit based scoring criteria listed in the City Council adopted Application Procedures and Guidelines.

25. I understand there will be 4 retail storefront permits offered; are any of those being reserved for the Social Equity program?

No permits are being reserved for any commercial cannabis business type.

26. Is it the City’s intention for cannabis dispensary permit applicants to include Community Benefit proposal with the initial submittal, or is it to be submitted in Phase 3?

The Community Benefit proposal is required to be submitted by qualifying applicants in Phase 3, and NOT with the initial application submittal.

27. In applying for a microbusiness to include all four activities of dispensary, manufacturing, distribution, and cultivation, will the city allow adding delivery as an authorized use under the dispensary activity?

Please see response to FAQ #3 in the Retail / Dispensaries Section, below.

28. In applying for multiple licenses intended to be located at the same building, if we are denied one permit are we still in consideration for the others being applied for? Is it all or nothing essentially?

Applications are evaluated individually whether or not they are in the same building.

29. The Social Equity criteria mentions that more points will be given to applicants who have (or have had) a household income at below 80% of the AMI for San Joaquin County. The Area Median Income (AMI) differs slightly depending on which statistics agency reports it. Can you clarify what number you all will be using as the current AMI and which source it comes from?

The AMI is the Stockton Area Median Income, as utilized by the San Joaquin County Council of Governments and State Department of Housing and Community Development is currently $61,145.

30. Can you tell me what age cutoff you are using to determine if someone is a senior?

Seniors are those persons with an age of 65 years or older.

31. Our application has a business that is a newly formed entity without any tax returns or financial statements, we have explained this in our application. Can I confirm with the City that not
having tax returns or a financial statement by itself will not disqualify our application as long as we have explained why that is the case?

Per Tracy Municipal Code Section 6.36.050(a)ii.E., the applicant is to submit “a copy of the applicant’s most recent year’s financial statement and tax returns, if applicable.” If the applicant does not have the most recent year’s financial statement and tax returns for the business entity, the applicant should explain why.

32. Are Docusign signatures acceptable for the application forms?

With the exception of the Notarized Owner’s Statement of Consent, Docusign will be acceptable. The Notarized Owner’s Statement of Consent requires original (“wet”) signatures.

33. On the application form for the owners, there are two spaces for “title”, which I presume means CEO, CFO, etc., does that need to be listed twice? Or is there something else that needs to be provided?

Space is provided in event it is needed by any applicant.

34. Is the City Business Operations Tax Certificate something that is acquired after the acquisition of the license or do we need it prior?

Please see response to FAQ #19, above in the General; Application Procedures and Guidelines section.

35. If an individual is an owner of multiple entities and will be part of more than one application, will the City take that into consideration when scoring each specific application?

No. All applications will be evaluated individually and against the same criteria in the City Council adopted Application Procedures and Guidelines.

36. Page 10 of the City of Tracy’s Application Procedures and Guidelines identifies Section 3 as “Information Pertaining to the Cannabis Business”. Within that section, the City has identified six sections for response including Section 6: Community Benefits Proposal (page 3 of 4 of the merit based selection criteria). I am writing to ascertain whether an application would be disqualified for submission if it contains Section 6: Community Benefits Proposal?

The Community Benefit proposal is required to be submitted by qualifying applicants in Phase 3, and NOT with the initial application submittal. If you submit the Community Benefit proposal with your application, the application will not be disqualified. However, please note that the City will only review Community Benefit proposals from qualifying applicants in Phase 3 (applicants receiving the minimum score from Phases 1 and 2), who will be asked at that time to submit their Community Benefit proposal. For more information, see pages 4, 6, 7-8 of the Application Procedures and Guidelines.
Background Check Applications; Fees

1. **Would a background check be required?**

   Yes. Applicants for cannabis business permits will be required to consent to fingerprinting and a criminal background investigation. The first step is for the Applicant and each Owner to complete a Cannabis Business Employee/Owner Background Check Application form online. The initial fee for the Background Investigation is $300.00 per Applicant/Owner. Live Scan fingerprinting will be arranged through the Tracy Police Department later in the background process. Additional DOJ and FBI fingerprint processing fees, anticipated to be up to $100 per Applicant/Owner, will be due at the time of fingerprinting, as part of the background process.

   Please note that proof of submittal of Cannabis Business Owner Background Application(s) and payment of fee(s) for the applicant and each owner must be emailed to the Planning Division at PlanningAdmin@CityofTracy.org for the Cannabis Business Permit application to proceed. Proof of submittal must be received by the City by October 15, 2020 at 5:00pm. Applicants and Owners who do not meet criminal history eligibility requirements will be disqualified and their application will be deemed disqualified.

2. **Are all owners of the cannabis business required to submit the Background Application form and undergo Live Scan?**

   Yes. All owners and applicants must undergo a Background Investigation, including submittal of the Background Application form and participation in the Live Scan process.

3. **I have completed the online Background Application form. Why did I not receive a Live Scan form after completing the online Background Application form?**

   You will be contacted by the Police Department once Live Scan is available, and will be provided the form at that time.

4. **I’m having trouble submitting the online background application form. Whom should I contact?**

   Please contact HdL Companies at (714) 676-4605.

5. **I am inquiring as to where I can get a Live Scan form?**

   You will be contacted by the Police Department once Live Scan is available, and will be provided the form at that time.
6. I emailed my proof of submittal of Cannabis Business Owner Background Application(s) and payment of fees as indicated in FAQ #1 in the Background Check Applications; Fees Section, is that sufficient for showing proof of having completed this item? Do I need to modify my application? If you followed the steps identified in FAQ #1 in the Background Check Application; Fees Section, above, then you do not need to do anything else for that item. You do not need to modify your application to provide proof of submittal of this item.

7. Can you please verify that the Live Scan does not need to be completed prior to the application submission?

Live Scan is not required to be completed prior to application submission.

8. Will the Live Scan be handled through the Tracy Police Department or can applicants complete the Live Scan elsewhere?

The Live Scan will be handled by the Tracy Police Department. Applicants will need to complete the Live Scan with the Tracy Police Department.
Zoning / Conditional Use Permit

1. **Does the City have designated zones where cannabis businesses are prohibited?**

   All commercial cannabis uses are prohibited from operating in all zoning districts, except as expressly permitted in Tracy Municipal Code Section 10.08.3196 and in Chapter 6.36. Commercial cannabis uses are permitted to establish as conditional use on property in the zoning districts provided in Tracy Municipal Code Section 10.08.3196. Refer to the City’s overall Zoning Map for a depiction of all zones in the city, and to the Specific Plans page for information with regard to the City’s various specific plans.

2. **Is there a distance requirement from a cannabis operation site to schools or other sensitive uses?**

   Any commercial cannabis use must be located at least 600 feet from any parcel containing any of the following sensitive uses as of the date the conditional use permit is issued: school, day care center, or youth center. If located on separate parcels, the distance between the commercial cannabis use and the sensitive use property shall be measured from the outer boundaries of the sensitive use parcel to the closest structure containing a cannabis use. If located on the same parcel, the distance between the structures containing the cannabis use and any sensitive use shall be at least 600 feet.

3. **Can I operate a Cannabis business downtown?**

   Yes, subject to obtaining a cannabis business permit, a conditional use permit, a City Business License, and a State license.

4. **What is a conditional use permit?**

   A Conditional Use Permit (CUP) is a land use permit, which must be obtained for the subject property. The CUP process, which includes a public hearing, evaluates the site to determine whether or not a commercial cannabis business is an appropriate use of the property, consistent with the City’s General Plan and not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting or recreating in the surrounding neighborhood and will not result in the creation of a nuisance.

   A CUP is issued by the Planning Commission and involves a public hearing and compliance with the General Plan, Zoning Regulations, and the California Environmental Quality Act (CEQA).

5. **What is the term of the cannabis business operating permit?**
Cannabis Business Permits are valid for one year from the time of issuance and must be renewed annually.

6. Is there a cap to the number of permits a City will issue?

There is no cap to the number of cultivation, manufacturing, retailer-non-storefront (delivery), distribution, testing laboratory, or microbusiness permits the City will issue. However, the number of retailer-storefront (dispensary) permits will be limited to four.

7. Can we request an analysis of a specific property for purposes of locating a commercial cannabis business there? Can you tell me if it meets the 600 foot buffer? How would we make the request?

The process to obtain that analysis is to request a Zoning Research Letter (ZRL) from the City’s Planning Division. Please note that there is a fee (currently adopted for 2020 at $104) for this letter as identified on the City’s adopted application fee schedule. Additionally, whereas the City can provide a ZRL at any time, sensitive uses can and do change their locations. During the Conditional Use Permit process, such an analysis will be conducted which may yield different results than the ZRL due to the passage of time and possible establishment of new sensitive uses proximate to the address being researched.

8. Will the City charge for only one Zoning Research Letter fee ($104), even if an applicant requests analysis on multiple properties?

The City will charge the fee per letter/per address.
Cultivation and Distribution

1. **Is cultivation in a greenhouse allowed?**
   All outdoor commercial cultivation of cannabis within the City is prohibited. Indoor cultivation of cannabis shall comply with Chapter 6.36 of the Tracy Municipal Code and applicable state law.

2. **Is there a limit on distribution business licenses that the City of Tracy will issue?**
   No.
Production / Manufacturing

1. **What is the difference between volatile and non-volatile manufacturing?**

   Non-volatile manufacturing is the manufacturing of cannabis products, including extractions using non-volatile solvents such as carbon dioxide, ethanol, water, butter or oil, or performing extraction using mechanical methods. Volatile manufacturing is the manufacturing of cannabis products, including extractions using volatile solvents such as butane, hexane, or propane.

2. **What type of manufacturing is allowed by the City?**

   The City only allows non-volatile manufacturing.
Retail / Dispensaries

1. **What type of permits do I need to operate a cannabis delivery service?**

To operate as a non-storefront (delivery only) retailer, a Cannabis Business Permit, a Conditional Use Permit, City Business License, and a valid State license are needed.

2. **What is the number of storefront retailers (dispensaries) allowed in the City?**

The number of storefront retail (dispensary) permits will be limited to four.

3. **Are storefront retailers (dispensaries) allowed to deliver cannabis goods?**

Under state law and regulations, licensed storefront retailers (dispensaries) are authorized to sell cannabis goods at the City-permitted premises or by delivery to customers.

4. **Are non-storefront retailers (delivery only) allowed to purchase cannabis goods wholesale from a distributor or manufacturer directly and then sell and deliver those goods from a City-permitted premises to customers?**

Under state law and regulations, a non-storefront retailer (delivery only) is authorized to sell and deliver cannabis goods to customers exclusively through delivery. A non-storefront retailer must have a City-permitted premises to store the cannabis goods for delivery. Additionally, state regulations only allow a licensed retailer to receive cannabis goods from a licensed distributor or licensed microbusiness authorized to engage in distribution.

5. **We are currently looking for a property for our client’s cannabis business retail store, can you please provide an approved map where cannabis can be located or guide me in the right direction?**

This question has been answered in Question Number 1 in the Zoning/Conditional Use Permit section of the FAQ.

6. **Can you please explain to me the process for scoring and selecting the non-storefront (delivery only) cannabis business permits? I notice the City does not intend to limit the number of these licenses.**

1) **Is this application subject to the same scoring criteria/rubric?**

2) **What is the selection process? Will all applicants be approved since there is no limit?**
All applications will be reviewed against the same criteria, regardless of cannabis business type, and only those applications approved by the City will be permitted to move forward in the process.

7. **During next year’s application process, will the City allow an additional 4 Retail-Storefront (Dispensary) permits to be issued? Or is 4 the permanent limit on these types of businesses?**

The City has a total limit of 4 permits. This limit can only be modified by a City Council approved amendment to the City's Regulations on Commercial Cannabis Activities. Please review Tracy Municipal Code Section 6.36.040(b).