



Office of Cannabis City and County of San Francisco

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Apply for a Cannabis Business Permit (part 1) Checklist

To operate a cannabis business in San Francisco, you will need a Cannabis Business Permit from the Office of Cannabis.

Fees

Cannabis Business Permits are \$5,000 per year.

You will need to pay \$2,000 per permit after you submit your application (we'll email you further instructions). If you have a temporary permit, you will also have to pay inspection fees with your application fee.

You will pay an additional \$3,000 plus inspection fees later in the process.

Equity Applicants won't be charged for their permits this year, but will pay for renewals in future years.

All fields with an * must be done before you can submit your application for a Cannabis Business Permit.

You can only apply for a Cannabis Business Permit online. The Office of Cannabis will not accept applications or any other documents directly from applicants.

1. Who can apply

You can apply for a Cannabis Business Permit in the City of San Francisco if your business:

- qualifies for the [Equity Program](#)
- holds a temporary permit from the Office of Cannabis
- is a Medical Cannabis Dispensary with a [permit under Article 33](#) from the Department of Public Health
- applied for an Article 33 Permit from the Department of Public Health that required referral to and approval by the Planning Commission before September 26, 2017
- registered with the Office of Cannabis in 2017, proved existing activity, signed and complied with an affidavit
- operated in compliance with the Compassionate Use Act of 1996 and were forced to stop operations as a result of federal prosecution or threat of federal prosecution

If you don't meet any of the criteria above, you can apply after we open applications. The City's goal is to issue at least half of all cannabis permits to Equity businesses before allowing any other types of cannabis businesses to apply.

2. Set up your business

- Choose your [business structure](#).*
- Register your business with the [CA Secretary of State](#).* This can take up to 4 weeks. (Sole Proprietorship or General Partnerships can bypass this step)
- Apply for an [Employer Identification Number \(EIN\)](#) from the IRS if you have or will have employees. If you're a sole proprietor without any employees, you can use your Social Security Number.
- [Register your business](#) and location with San Francisco Treasurer & Tax Collector* (you will need your Business Account Number and Location ID to apply with the Office of Cannabis). If you need to add your location to your Business Account, do so a day or two before you submit the application.
- Choose your business name. If your business will operate under a name that's not the name of the company or one of the partners or owners, you may need to [file a Fictitious Business Name \(FBN\)](#).
- You will need to upload, as part of the application, all of your business formation documents filed with the California Secretary of State, and all supporting documents, which may include, but are not limited to:*
- articles of incorporation
- certificates of stock
- articles of organization
- certificates of limited partnership
- statements of partnership authority

- ownership agreements
- bylaws

Equity Applicant businesses

If you are applying as a verified Equity Applicant, you must be one of the following:

- sole owner
- own 40% of the business and be the CEO
- own at least 51% of the business
- a board member of a nonprofit cannabis business where the majority of the board also qualify as equity applicants
- an individual with a membership interest in a cannabis business formed as a cooperative

You must upload a description of how you meet the ownership requirements of the Equity Program. You must also upload any other material agreements in place for the existing ownership structure and operation of the business. These documents could include, but are not limited to:*

- Management Agreements
- Memorandums of Understanding,
- Dividend Sharing Agreements, etc.

Equity Incubator businesses

If you are applying as an Equity Incubator, you must upload your Equity Incubator Agreement. This agreement must [meet the Equity Incubator Agreement requirements](#) for your application to be considered complete.*

- Equity Incubator Agreement

3. Find a location

Cannabis Business Permits are based on location. You will need to submit an application for every address at which you are seeking cannabis permits.

- [Find a location zoned for your business](#).* Your location might require a “Change of Use” or “Conditional Use” application, which can include a public hearing. This land use approval will happen in later stages of the application.
- If you want to open a store or a microbusiness that sells cannabis, [read the Planning Department’s information](#) on retail zoning and look up possible locations on their [Green Zone Map](#). New cannabis storefront retail locations can’t be within 600 feet of a school or other cannabis storefront retail location. You can look at the [map of submitted locations](#)

[to see if your location qualifies](#). You can read the [Final Regulations on the 600 Foot Rule](#) to understand how your application will be processed if there are other applications submitted within 600 feet of your application.

- ❑ Find the Parcel (Block/Lot) of your location on the [Property Information Map](#).*
- ❑ You could visit the [Planning Information Center](#) at 1660 Mission Street to make sure your location is zoned correctly for your business and to ask questions about the possible land use approval process.

4. Get authorization to operate at your location

- ❑ If you rent, you must submit a copy of your lease, which should give explicit authorization from your landlord for the activities for which you are seeking a permit. If your lease does not include this authorization, you must have a letter from your landlord or potential landlord giving you explicit authorization for the activities for which you are seeking a permit. So if you are a grower, the authorization must give you authorization to grow cannabis at that address. You also need the land owner's legal name, phone number, email, and mailing address.*
- ❑ If you have not yet signed a lease, you will need a letter from your future landlord giving you explicit authorization for the activities for which you are seeking a permit. So if you are a grower, the authorization must give you authorization to grow cannabis at that address. You also need the land owner's legal name, phone number, email, and mailing address.*
- ❑ If you own your business location, you will need a copy of your deed.*
- ❑ If you are going to purchase your location you will need a signed letter from the current owner acknowledging your intent to purchase. You also need the land owner's legal name, phone number, email, and mailing address.*

5. Owners

An owner means **any of the following**:

- a person or business entity with an ownership interest of 20% or more of the business applying for the permit
- the chief executive officer or function equivalent
- members of the board of directors of a nonprofit
- any individual or business entity participating in the direction, control, or management of the cannabis business applying for the permit

A business entity means any firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other entity, or other group or combination acting as a unit.

Owners information

For all owners defined above we need:

- name*
- home address*
- date of birth*
- place of birth*
- title in the cannabis business (like owner or CEO)*
- percentage of ownership in the cannabis business*
- name of current employer*
- if they have had a commercial cannabis license suspended or revoked in the last 3 years*
- data on race and ethnicity, gender identity, education, household income and household size (not mandatory)

Owner's conviction history*

You will need to tell the Office of Cannabis about any relevant arrests or convictions that any of the owners have.

If any owners have relevant arrests or convictions, we would like:

- conviction date
- incarceration start date
- incarceration end date
- probation start date
- probation end date
- detailed description of the offence, including what statute the conviction is under

You could include:

- an explanation or certificate of rehabilitation
- letters of reference from employers, instructors, or professional counselors. Letters must be dated, with a way for us to contact the author.
- a description of why the owner is now fit to run a cannabis business.

Owners who are business entities*

If another company or business entity owns 20% or more of your cannabis business, we need:

- name of the business entity*
- trade name (if any)*
- address of the business entity*
- date the business entity was incorporated (if applicable)*
- percentage of your cannabis business that business entity owns*
- formation documents (if applicable)*
- an explanation of the ownership structure, if it's complex

For the CEO (or equivalent), partners and members of the board, we need:

- name*
- title or role*
- date of birth*
- email*

These people will all need background checks.

6. Background check for all owners*

To apply for a Cannabis Business Permit, all owners need to get a background check with Live Scan. Owners include members of business entities who own 20% or more of your cannabis business.

Example

Cannabis Company has 3 owners:

- Person 1 owns 20%
- Person 2 owns 40%
- Entity owns 40% (this entity is a partnership of Person 3 and Person 4)

Person 5 is the CEO.

After applying for a Cannabis Business Permit, Person 1, Person 2, Person 3, Person 4, and Person 5 all need to get background checks.

Every owner must:

- fill out the [Live Scan form](#)*
- take the form to a [Live Scan location](#)*
- pay the Live Scan fee and get fingerprinted*

Live Scan will send us your background check information. The Office of Cannabis will not accept the results of background checks directly from applicants.

You can get background checks after you submit your application.

7. Financial interest

If any person or business entity has invested in or will receive profits from your cannabis business, you need to list them in the application. These people do not need to get a background check.

You **should** tell us about any person or business entity with financial interests in your cannabis business if:

- they invested money in your cannabis business
- they will receive any of the profits
- they loaned your cannabis business money

You **should not** tell us about any person or business entity with financial interests in your cannabis business if:

- you've already told us about that person
- the business entity is a diversified mutual fund, blind trust or similar instrument
- the interest is a creditor, holding a security interest, lien, or encumbrance on property
- it's a loan from a bank, financial institution or government entity

If you are not sure whether you need to list an investor, it's better to tell us about them.

8. Permit type*

A Cannabis Business Permit allows you to do one type of business at one location unless you have a microbusiness. You need to tell us what type of business you will be running. Changing this later could complicate and severely delay your approvals, and could require you to submit a new application to the Office of Cannabis.

9. Activity*

You need a Cannabis Business Permit for each activity, even if you have more than one activity at an address. You must pay for each permit, and you need a permit for each activity. Microbusinesses are the only exception to this rule, with 4 activities at one location.

Equity Applicants won't pay for their permits this year, but will pay for renewals in future years.

You can apply for a Cannabis Business Permit to be a:

- cultivator or grower (indoor)
- distributor
- manufacturer (volatile or non-volatile)
- retailer (medical and adult use)
- delivery only retailer (medical and adult use)
- medicinal cannabis retailer (medical only)
- testing laboratory
- microbusiness

Microbusiness

A microbusiness gets 1 permit for 1 location to conduct 4 activities: cultivation (less than 10,000 square feet), manufacturing (non-volatile only), distribution, and retail.

10. State license*

To make sure your property is zoned for the right activity, we need to know what state permit you are applying for. We've pulled a [list of California license types](#). But you should [check the California Cannabis Portal](#) for more information.

11. Adult use vs medical use*

San Francisco is permitting retail medicinal use only or combined medicinal and adult use. That means if you want to sell adult use cannabis in San Francisco, you will be required to sell medicinal cannabis as a condition of your permit.