



CITY OF LONG BEACH

OFFICE OF THE CITY MANAGER

333 West Ocean Boulevard • Long Beach, CA 90802 • (562) 570-6711 • FAX (562) 570-7650

November 15, 2018

RE: IMPORTANT DEADLINES FOR CANNABIS BUSINESS LICENSE APPLICANTS AND LICENSEES

This letter shall serve as official notification from the City of Long Beach (the City) on important upcoming licensing deadlines for cannabis applicants and permittees. ***Failure to meet the deadlines identified below may adversely impact your ability to obtain State and/or local approval to operate a cannabis business.*** For additional information on cannabis licensing, please visit www.longbeach.gov/cannabisbusiness.

IMPORTANT STATE & LOCAL DEADLINES

DECEMBER 1, 2018	DEADLINE TO APPLY FOR A STATE TEMPORARY LICENSE (<i>Bus. & Prof. Code §26050.1</i>)
DECEMBER 31, 2018	DEADLINE FOR THE STATE TO ISSUE OR EXTEND A TEMPORARY LICENSE (<i>Bus. & Prof. Code §26050.1</i>)
FEBRUARY 9, 2019	DEADLINE TO CO-LOCATE OR CONVERT TO ADULT-USE WITHOUT REGARD TO BUFFER AND ZONING REQUIREMENTS (<i>LBMC Chapter 5.92.225</i>)

DEADLINE TO QUALIFY FOR A STATE TEMPORARY LICENSE

The Medicinal and Adult-Use Regulation and Safety Act (MAUCRSA) contains a sunset clause for temporary license applications. State cannabis licensing authorities ***cannot issue or extend temporary licenses after December 31, 2018.*** Active temporary licenses will remain in effect until their expiration date.

On September 27, 2018, the State of California approved Senate Bill 1459 (SB 1459), which authorized the State licensing authorities to issue a provisional license to businesses that have held or are currently holding a state temporary license. ***Businesses that fail to obtain a temporary license from the State will not be eligible to apply for a provisional State license.***

Applications for a State temporary license can take up to several weeks to process, so ***State cannabis licensing authorities recommend that you submit your State temporary license application before December 1, 2018.*** To qualify, you must obtain local authorization as outlined below.

OBTAINING LOCAL AUTHORIZATION FOR A STATE LICENSE

In order to receive a temporary, provisional or annual license from the State, ***you must obtain local authorization from the City of Long Beach.*** The City recently amended its policy on local authorization to grant businesses the ability to apply for a State license earlier in the City's process.

Cannabis applicants are now eligible to obtain local authorization if they meet the following requirements:

- i. You have submitted a Cannabis Business License Application, supporting documentation and applicable fees to the City of Long Beach;
- ii. The City's Planning Bureau has conducted a review of the proposed business location and has deemed the application to be in compliance with all applicable buffer and zoning requirements pursuant to the Long Beach Municipal Code; and
- iii. The submitted cannabis business license application has been determined by the City Manager or his or her designee to be complete.

Once you have completed the steps above, you will receive a letter of local authorization by mail and email. The City recently mailed a copy of the letter of local authorization to cannabis applicants that are eligible to apply for a State license under the new policy. If you did not receive a letter of local authorization and believe that you are eligible for one, please email the Business License Division at MarijuanaLicense@longbeach.gov.

DEADLINE TO CO-LOCATE OR CONVERT TO AN ADULT-USE LICENSE WITHOUT REGARD TO BUFFER AND ZONING REQUIREMENTS

On July 10, 2018, the Long Beach City Council approved Chapter 5.92 of the Long Beach Municipal Code (Chapter 5.92) to license and regulate commercial adult-use cannabis activity in the City. On August 13, 2018, the City began accepting adult-use cannabis business license applications.

Recently, the City sent a letter to medical cannabis applicants and permittees regarding participation in the adult-use market. The letter states that **any** cannabis business that sells, cultivates, manufactures, distributes, transports or tests both medical and adult-use cannabis **must obtain both a medical and adult-use cannabis business license from the City, irrespective of State licensing requirements**. Medical cannabis businesses found to be engaging in adult-use cannabis activities without a local adult-use cannabis business license will be **subject to penalties and enforcement action**.

To accommodate medical cannabis businesses seeking to participate in the adult-use market, the City created policies and procedures for co-location and conversion to adult-use. Medical cannabis applicants/licensees that satisfy the provisions of Chapter 5.92 may apply to convert to an adult-use cannabis business, or co-locate medical and adult-use cannabis activities, on the same proposed or licensed premises.

Businesses that submitted a medical cannabis application prior to June 19, 2018 are eligible for an exemption from Chapter 5.92 location requirements. Businesses that qualify for this exemption may apply to convert an existing medical marijuana business permit, or to conduct adult-use and medicinal commercial cannabis activities from the same premises, without regard for new adult-use zoning requirements for one-hundred eighty days (180) from the effective date of the ordinance.

The 180-day exemption expires on February 9, 2019, after which time the City will apply adult-use zoning requirements to all adult-use cannabis applicants. This may result in some medical cannabis businesses being unable to participate in the adult-use market from their existing location. To avoid this outcome, medical cannabis applicants and permittees that submitted an application prior to June 19, 2018 are encouraged to apply for an adult-use cannabis business license prior to February 9, 2019.

For more information, please visit www.longbeach.gov/cannabisbusiness.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ajay Kolluri', with a stylized flourish at the end.

Ajay Kolluri
CANNABIS PROGRAM MANAGER
OFFICE OF CANNABIS OVERSIGHT