

Annual License Application Review Process Component 1: Local Verification

The annual license application review process includes three major components which are local verification, administrative review, and scientific review. This document will describe the first component which is to ensure the proposed premises information provided is valid, complete, and in good-standing with the local jurisdiction. *This guidance has been written in accordance with Business and Professions Code (BPC) Sections 26055 and 26200.*

Within this component, there are three main checkpoints:

- Validation of the premises address
- Transmission of compliance inquiry
- Analysis of the compliance response

Checkpoint One

Validation of the premises address: Prior to sending the compliance inquiry to the local authority, the reviewer confirms the physical address of the proposed premises is a real location based on a review of its Assessor's Parcel Number, city, county, and, if applicable, street number and street name. The reviewer utilizes web-based mapping software to search comprehensive property and geospatial data that provides a complete analysis of the location. This helps us identify where the cultivation site will be located.

Checkpoint Two

Transmission of compliance inquiry: Once the premises address is validated, the reviewer transmits the compliance inquiry to the local authority.

The compliance inquiry includes confirmation of the following:

- license type (which is based on the size and lighting proposed for cultivation)
- premises address (physical address of the cultivation site)
- legal business name of the entity applying for the license
- designated responsible party (who must be an individual owner who makes decisions on behalf of the business applying for the license)
- if the premises span multiple Assessor's Parcel Numbers, the additional premises address information will be included in the inquiry

The timeframes for a local authority to respond to a compliance inquiry depends on whether the applicant has submitted proof of local authorization within the application.

1. If a permit is submitted, the local authority has 10 calendar days to reply to the compliance inquiry transmitted by the reviewer (BPC 26055(e)).
2. If a permit is not submitted, the local authority has 60 business days to reply to the compliance inquiry transmitted by the reviewer (BPC 26055(g)(2)(A)).

Tip: If a local permit is attached, then the application can move faster through the review process.



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Checkpoint Three

Analysis of the compliance response: The last checkpoint for local verification is to analyze the compliance response from the local authority. It is strongly recommended that the local authority utilize the full allotted timeframe given to respond—whether or not the applicant is in compliance or not in compliance with local laws to ensure the proper compliance response is provided.

Depending on the response received, this is what happens next with the application:

- In Compliance: If the local authority deems that the applicant entity is compliant with local rules and laws, then the local authority can respond to the compliance inquiry with an “In Compliance” response. Once an in compliance response is received, then the application moves forward to the administrative review component (BPC 26055(g)(2)(C)).
- Not in Compliance: If the local authority deems that the applicant entity is not in compliance with all local rules and laws, then the local authority can respond to the compliance inquiry with a “Not in Compliance” response. The local authority must state a reason for non-compliance because it will become the grounds for denial. **Once a not in compliance response is received, then the review process stops, the application does not move forward, and the application will be recommended for denial (BPC 26055(g)(2)(B)). The result for the applicant is that they may either withdrawal prior to denial, be denied and request an appeal, or they can reapply and pay a new application fee once they have been granted local authorization.**
- ****NEW INFO!**** Pending: If the applicant entity has a pending local permit and the local authority would like to allow the applicant entity to continue through the state licensing review process, then they may reply with a pending response (BPC 26050.2(a)) based on local compliance being underway. This option can also be used to give the applicant an opportunity to correct issues related to their local permit, while the application proceeds through the state review process. The local authority may confirm compliance status with the state at any point in time.
- No Response: If at the end of the allotted timeframe the local authority does not respond, by law, CalCannabis shall presume the applicant is in compliance with local laws, unless otherwise notified by the local authority (BPC 26055(g)(2)(D)).

Note: When responding, the local authority should ensure that all information submitted within the compliance inquiry is accurate. If there is a discrepancy in the premises address, please include this information within the compliance response.

If you need more information regarding this process or need clarification on how you should be responding to the local compliance inquiries, please do not hesitate to contact CalCannabis’ Local Verification Unit at: cdfa.CalCannabis_Local_Verification@cdfa.ca.gov.