

TITLE 19 – DEPARTMENT OF HEALTH AND SENIOR SERVICES
Division 100 – Division of Cannabis Regulation
Chapter 1 – Marijuana

PROPOSED AMENDMENT

19 CSR 100-1.060 Facility Applications and Selection. The division is amending sections (2), (3), (4), (5), and (6).

PURPOSE: This amendment adds application requirements to ensure consistency between rule, Constitutional requirements, and license applications. This amendment also adds requirements for applying for and being approved for microbusiness licensure to address concerns that arose during the first two rounds of microbusiness license issuance.

(2) Facility application process.

(C) The department will receive applications for all medical and marijuana facility licenses or certifications electronically through a department-provided, web-based application system. In the event of application system unavailability, the department will arrange to accept applications in an alternative, department-provided format and will notify the public of those arrangements through its website.

2. Application fees are nonrefundable, except that a microbusiness facility applicant not chosen by lottery may request a refund of its application fee **using the email address provided for the designated contact in the application.**

A. Requests for a refund will be accepted **via the form available on the department's website**, beginning thirty-one (31) days after the date of the denial but no later than six (6) months after the date of the denial. **Refund requests received later than six (6) months from the date of the denial may be submitted in accordance with 19 CSR 100-1.020(1).**

B. The application fee will be refunded if the department determines the microbusiness facility applicant met the criteria to apply for a microbusiness facility license and the applicant has no pending or future legal actions related to the denial of the application. Issuance of a refund is not a determination from the department that the applicant is qualified for licensure or is entitled to a license in future applications.

(3) Application requirements. Entities must obtain a license or certification to operate a medical or marijuana facility in Missouri. Applications for facility licenses or certifications, except for off-site storage of marijuana product, shall include at least the following information:

(A) Name *[and]*, address, **phone number, and email** of the designated contact for the applicant entity. **For microbusinesses, the designated contact must be an eligible individual contributing to the majority ownership of the microbusiness;**

(C) All **owners** of the applicant entity, with ownership percentage, and a visual representation of the *[facility's]* **applicant entity's** ownership structure, **in a department approved format;**

(F) For a microbusiness facility license application, **an attestation that:**

1. *[an attestation that]* the applicant does not have an owner who is also an owner of an existing medical, comprehensive, or another microbusiness marijuana facility license;

2. **the applicant has not entered, and will not enter into, any agreement that removes operational control from the eligible individual(s) listed in the application or that would**

effectuate future automatic transfer of ownership until after successful completion of eligibility verification and mandatory post-award training, and if otherwise permitted;

3. the designated contact is an eligible individual contributing to the majority ownership of the microbusiness;

4. the microbusiness is and will continue to be majority owned and operated by eligible individuals;

5. if selected by lottery, the applicant will respond to all requests for documentation within five (5) business days from the date the request is sent, unless an extension has been requested and approved; and

6. mandatory pre-application training was completed by an eligible individual contributing to majority ownership;

(J) For *[facilities]* applicants that will be cultivating marijuana, the cultivation practices(s) (indoor, outdoor, or greenhouse) used by the facility, and, if using a combination of practices, the ratio of cultivation space limits for each cultivation practice, as provided in the cultivation section of this chapter;

(4) In addition to the application requirements in section (3) above, microbusiness facility applicants must also provide the following:

(A) All entities, which includes individuals, with an ownership interest in the applicant entity, indicating ownership percentage, and a visual representation of the *[facility's]* applicant entity's ownership structure, **in a department approved format; [and]**

(B) Documents demonstrating eligibility for microbusiness facility ownership as follows:

2. For applicants claiming a net worth of less than two hundred fifty thousand dollars (\$250,000) and low income—

A. Sworn, **notarized** financial statements demonstrating a net worth at the time of the application of less than two hundred fifty thousand dollars (\$250,000). This includes all marital property, unless applicant provides evidence sufficient to demonstrate that property is not jointly owned; and

B. Documentation establishing that the applicant's *[gross]* household **adjusted gross** income was below two hundred and fifty percent (250%) of the federal poverty guidelines issued by the U.S. Department of Health and Human Services for at least three (3) of the last ten (10) years **from the date of the application**. Income for each year claimed may be established by tax returns, paycheck stubs summarizing the full income from the source for the year, W-2s, evidence of job loss, or other documentation sufficient to demonstrate gross income below two hundred and fifty percent (250%) of the federal poverty level during the applicable year. **Household income is determined using an individual's income combined with their spouse's income. A household is made up of an individual, their spouse, and any dependents. If household size cannot be determined from the documentation above, applicant must submit a list of dependents' first and last names, SSNs, and relationships to the applicant.**

6. For applicants claiming residency in a ZIP code or census tract area where the historic rate of incarceration for marijuana-related offenses is fifty percent (50%) higher than the rate for the entire state—

D. A copy of the applicant's real or personal property taxes, dated within the past twelve (12) months, which must include the applicant's name, address, and the date assessed; **or**

E. Other documentation sufficient to demonstrate residency.

8. For applicants claiming residency in a ZIP code containing an unaccredited school district, or similar successor designation for three (3) of the past five (5) years:

F. Other documentation sufficient to establish residency.

G. An applicant may provide any of the acceptable types of documentation for each year they are claiming residency in the ZIP code (i.e., utility bills from one year, lease from a separate year, and property taxes for a third year); and

(C) Names, phone numbers, addresses, and email addresses for all eligible individuals contributing toward majority ownership;

(D) Certificates of completion or other records documenting completion of mandatory pre-application training for at least one eligible individual contributing to majority ownership.

(E) All business agreements related to the application or future license, existing at the time of application, including all management agreements, consulting agreements, partnership agreements, loans, or other agreements whereby any entities stand to gain financially from the business.

(5) Application requirements for warehouses. Licensees must obtain a separate certification for each warehouse facility used for storing marijuana product at a location other than the approved location of the licensee. Such requests must be submitted after the licensee's facility has passed a commencement inspection and shall include at least the following information:

(D) A copy of, and a hyperlink to, all local government requirements for warehouse location, such as zoning requirements, if applicable. Applicable sections shall be highlighted in the copy of the regulations; [If the local government in which the warehouse will be located has enacted applicable zoning restrictions, documentation from the local government with jurisdiction over the offsite storage location confirming that the proposed location complies with applicable zoning restrictions;]

(E) An attestation that the warehouse will comply with all other rules applicable to the [facility] licensee for which the warehouse is being established;

(F) An administrative and processing fee of [five] two thousand five hundred dollars (\$[5000] 2500). This fee shall be increased or decreased each year by the percentage of increase or decrease from the end of the previous calendar year of the Consumer Price Index, or successor index as published by the U.S. Department of Labor, or its successor agency; and

(G) Approved warehouse certificates shall have the same expiration and renewal date as the [facility] license or certification for which the warehouse is being established.

(6) Application approval and denial process.

(A) In cases where there are more applicants than available licenses or certificates, the department will select applicants for available licenses or certifications by lottery.

4. After identifiers are drawn, the department will review the application corresponding to the selected identifier, beginning with the first identifier drawn, to determine if the applicant is eligible for licensure prior to issuing the license.

B. The department will determine that microbusiness licenses will be awarded to and be operated by eligible applicants in good standing by requesting, if necessary:

(I) Additional documentation sufficient to verify that individuals contributing to majority ownership meet the eligibility criteria in rule;

(II) Additional documentation sufficient to verify that individuals contributing to majority ownership are operating the license, such as agreements with third parties, partnership agreements, and consultant agreements, regardless of whether those documents are fully executed; and

(III) Any additional documentation sufficient to verify that the license is owned and operated by eligible entities.

(E) The department will have sixty (60) days after license issuance to verify that microbusiness licenses have been awarded to and are being operated by eligible applicants in good standing by requesting, if necessary:

1. Additional documentation demonstrating that individuals contributing to majority ownership meet the eligibility criteria in rule;

2. Additional documentation demonstrating that individuals contributing to majority ownership are operating the license, such as agreements with third parties, partnership agreements, and consultant agreements, regardless of whether those documents are fully executed; and

3. Any additional documentation the department deems necessary to verify that the license is owned and operated by eligible individuals.