

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

**PROPOSED AMENDMENT**

**19 CSR 100-1.190 Microbusinesses.** The division is amending section (1).

*PURPOSE: This amendment adds clarification about what the division expects for application, ownership, and operation of a microbusiness license in order to address concerns that arose during the first two rounds of microbusiness license issuance.*

**(1) Criteria to apply for, own, and operate a Microbusiness [facilities, generally] license.**

(A) Entities must obtain a license to cultivate, manufacture, and dispense marijuana product in Missouri as a marijuana microbusiness. Application requirements are outlined in the application section of this chapter.

**3. The designated contact for a microbusiness must be an eligible individual contributing to the majority ownership of the microbusiness license.**

**4. An entity that was associated with a previously denied application or a revoked license where the denial or revocation was due to non-compliance with the ownership and operation requirements of Article XIV or this rule may be prohibited from participating in future microbusiness applications or microbusiness licenses.**

(B) Applicants for a microbusiness license shall be majority owned and operated by individuals who each meet at least one (1) of the following qualifications:

4. Reside in a ZIP code or census tract area where—

A. Thirty percent (30%) or more of the population lives below the federal poverty level; **or**

B. The rate of unemployment is fifty percent (50%) higher than the state average rate of unemployment; **or**

C. The historic rate of incarceration for marijuana-related offenses is fifty percent (50%) higher than the rate for the entire state; **or**

(C) Once an individual *[owner of a licensed microbusiness facility]* is deemed eligible for qualifying majority ownership **of a licensed microbusiness facility** under this rule, subsequent change in circumstances will not affect eligibility. An *[owner]* **individual** may subsequently be deemed ineligible if the *[owner]* **individual** provided false or misleading information or is in violation of other provisions in this chapter affecting owner status.

**(F) “Majority owned and operated” means the eligible individuals having majority ownership must have a level of operational control that would be expected of owners. Eligible individuals should have the power to order or direct the management, managers, and policies of the license, enter into agreements on behalf of the license, and otherwise make decisions for the license. Majority ownership cannot be subject to conditions that diminish the controlling interest of eligible individuals and must be free of agreements that convey voting rights or ownership benefits to ineligible parties. The following is a non-exhaustive list of arrangements that could indicate a license is not majority owned and operated by the eligible applicants:**

**1. agreements that eligible owner(s) will not have majority ownership in the future;**

2. predatory and/or exploitive business contracts, partnerships, and financial arrangements or other obligations that subvert the intent of this rule, including excessive exit fees and the effectively automatic transfer of voting rights, stock, or ownership equity; or

3. any other documents that demonstrate intent to remove operational control from the eligible individual(s) listed in the application.

**(G) Pre-Application Technical Assistance Program.**

1. At least one eligible individual who is contributing to majority ownership shall complete pre-application training, as specified by the department, which shall include, at a minimum:

- A. predatory business practices,
- B. expectations for owning and operating a microbusiness,
- C. funding and investment options, and
- D. rule compliance expectations;

**(H) Post-Award Technical Assistance Program.**

1. All eligible individuals contributing to majority ownership shall complete post-award training within three (3) months of licensure or of becoming an individual contributing to majority ownership, as specified by the department, which may include:

- A. predatory business practices,
- B. expectations for owning and operating a microbusiness,
- C. funding and investment options, and
- D. rule compliance expectations;

2. Certificates of completion of mandatory training must be provided to the department when that training is completed.

3. Eligible applicants, eligible individuals, and licensees shall not enter into new final executed agreements that remove operational control from eligible individuals 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.