



MISSOURI DEPARTMENT OF
**HEALTH &
SENIOR SERVICES**

Division of Cannabis Regulation

Chief Equity Officer *2025 Activity Report*



Chief Equity Officer

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Article XIV, Section 2 of the Missouri Constitution requires the Missouri Department of Health and Senior Services (DHSS) to appoint a chief equity officer (CEO). The DHSS Division of Cannabis Regulation's (DCR) CEO is charged with the development and implementation of programs to inform the public of the opportunities available to those who meet the criteria for a microbusiness license. In addition, the CEO is responsible for establishing education and technical assistance programming that informs individuals of the support and resources provided by DCR.

The CEO is required to provide an annual activity report to DHSS leadership no later than Jan. 1 of each year detailing the CEO's and DCR's activities in guaranteeing compliance with the applicant criteria set forth in Article XIV, Section 2.4(12). It further requires DHSS to provide the report to the legislature. The CEO is an integral part of ensuring the social and economic equity requirements passed by Missouri voters in Article XIV, Section 2 are fully realized.

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Background

The microbusiness program was established pursuant to Article XIV, Section 2. A microbusiness license operates on a smaller scale than medical or comprehensive licenses. This license provides a path to facility ownership for individuals who might not be afforded the opportunity otherwise. A microbusiness dispensary engages in the process of dispensing cannabis product for medical or adult use. A microbusiness wholesale facility engages in the process of cultivating, cultivating and manufacturing, or manufacturing cannabis product for medical or adult use. A minimum of 48 microbusiness licenses are to be awarded during three separate rounds for a total of 144 licenses. Six licenses are awarded per congressional district, using the congressional map made effective on Dec. 6, 2018. The six licenses are distributed between two microbusiness dispensaries and four microbusiness wholesale facilities. The Missouri Constitution requires that microbusiness licenses be awarded through an application lottery and be majority-owned and operated by individuals who meet at least one of the eligibility criteria set forth in Article XIV, Section 2.

Outreach

During 2025, the CEO responded to media inquiries and participated in interviews to provide information about the microbusiness program. Interview opportunities included newspaper and industry magazine reporters across the state. The CEO also participated in a panel discussion sponsored by the Minority Cannabis Business Association. DCR staff, including the CEO, attended the June meeting for the Missouri Cannabis Trade Association and participated in a panel discussion for microbusiness licensees surrounding DCR's processes and timeline for commencement inspections.

The CEO also provided educational opportunities for current licensees in the microbusiness program. A town hall meeting was held in February with DCR Director Amy Moore sharing information about the progression of the microbusiness program and engaging in a question-and-answer session. Throughout the year, microbusiness licensees were also invited to attend quarterly licensee learning sessions focused on regulatory compliance. In September, the CEO invited all current microbusiness licensees to attend an educational event designed to provide details of the commencement inspection process specifically geared toward microbusinesses. Additionally, the CEO toured six operational microbusiness facilities across the state throughout the course of the year.

Finally, microbusiness licensees were invited to be a part of the Missouri Cannabis Regulation Collaborative (MCRC). MCRC brings together regulators and cannabis industry experts to work on emerging issues impacting the industry, such as cannabis rescheduling and other federal actions, statewide and programmatic planning, and market conditions. Three microbusiness licensees were selected as MCRC members and attended the quarterly meetings throughout 2025. MCRC serves as a platform for licensees and regulators to build stronger relationships, address challenges and to share information and knowledge.

DCR Microbusiness Licensee Event Attendance

2025 Event	Attendance Numbers
February Town Hall	95
June Licensee Learning Session	21
September Microbusiness Education Event	33
October Licensee Learning Session	18
Total attendance for 2025 licensee events	167

Resources

DCR maintains the microbusiness section within the cannabis.mo.gov website, which details the microbusiness licensing process and provides application resources for potential applicants. The website includes frequently asked questions, tools to assist individuals in determining eligibility for a microbusiness license, guidance for submission of a successful application, and video tutorials educating viewers on correct methods for completing the application.

During 2025, DCR developed and published an online business resource listing for microbusiness licensees to access information on a wide variety of topics including:

- Accounting
- Brand Development and Marketing
- Cannabis Training
- Compliance Resources
- Employee Training
- Financial
- Insurance
- Missouri State Agencies

Disqualifying Felony Offense (DFO) Reviews

19 CSR 100-1.060(3)(K) requires that individuals subject to analysis for a DFO submit fingerprints within two weeks after an application submission date for a state and federal fingerprint-based criminal background check, and both Article XIV and 19 CSR 100-1.070(1) require that no marijuana facility of any type have as an owner an individual with a DFO. Missouri law (195.817 RSMo) authorizes DCR to review state and federal criminal background records for individuals subject to the analysis of a DFO. The law went in effect Aug. 28, 2023, after the first application period for microbusiness licenses ended. DCR received approval from the Federal Bureau of Investigation (FBI) in October 2024 to begin the process of required fingerprint submittal and review of state and federal criminal background records. Due to the delay in approval, DCR conducted retroactive fingerprint reviews during 2025 for both license owners and facility agents who had not yet been screened.

Owners

Following the FBI's approval of the department statutory authority to review state and federal criminal background records, DCR requires fingerprint submissions for microbusiness license owners (defined as having 10% or more of financial and/or voting interest). During the past year, the DCR Bureau of Business Licensing Services (BLS) worked with microbusiness owners to complete the fingerprinting process.

Since February 2025, over 100 notices have been sent requesting proof of fingerprint submission to all individuals holding 10% or more financial and/or voting interest in a microbusiness with an active license at the time the notice was sent. A small number of individuals were subsequently found to no longer be owners of microbusiness licenses; BLS confirmed that their removal from ownership was not in violation of 19 CSR 100-1, and those individuals were not evaluated for DFO.

Of the 116 owners remaining:

- Three individuals submitted fingerprints and did not pass background check analysis, meaning some licenses were owned by individuals with a DFO, which is a violation of Article XIV and applicable regulations. These licenses have been revoked following issuance of a Notice of Pending Revocation (NOPR), which provided the licensee an opportunity to submit information as to why the license should not be revoked.
- Four individuals failed to respond to the request and have not submitted fingerprints. Initial Notices of Violation have been issued to the licensees. Currently, the violations have not been resolved, and further enforcement action is pending.
- The remaining 109 owners passed background check analysis.

Agents

All employees, contractors, owners and volunteers who have access to a cannabis facility must obtain an agent identification card. With the approval from the FBI and pursuant to Missouri statute, DCR requested fingerprinting from current microbusiness facility agents holding a department-issued identification card for criminal history review. No microbusiness facility agent cards were revoked due to reviews completed in 2025.

For the third round of microbusiness licensing, DCR will implement fingerprint background checks as part of the license application process and screen potential owners for DFO prior to licensure. DCR's Facility Application Services (FAS) Unit will provide fingerprint instructions to applicants along with a timeframe for fingerprint submission. More information will be available to applicants prior to the opening of the application window.

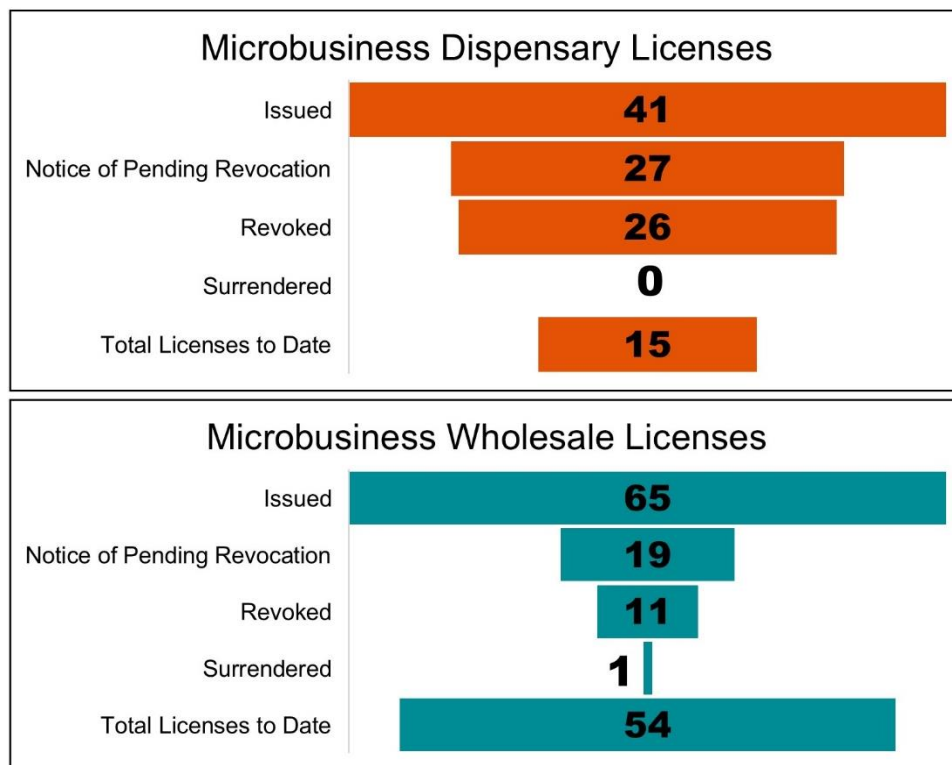
Verification Period Revocations

Pursuant to Article XIV and regulations, DCR is required to perform a post-licensure verification that all microbusiness licenses were awarded to eligible individuals and that those individuals are owning and operating the license in good standing. After each round of microbusiness licensing, DCR completes careful analysis and review of eligibility and license requirements for every issued microbusiness license. On July 24, 2024, the department issued 57 total licenses to complete the second round of microbusiness licensing.

In October 2024, DCR issued a NOPR to 32 of these licenses. Each NOPR listed the issues surrounding the action and offered the licensee an opportunity to request a conference call to present information to the division within 15 days of the notice. Prior to revocation of a license, the licensee was also provided with at least 30 days to respond to the allegations and submit records or information demonstrating why the license should not be revoked.

After licensee responses were received and reviewed by BLS, an owner interview was conducted with each of the licenses pending revocation. After DCR review of the information presented, it was determined that seven licensees satisfied the concerns outlined within the NOPR. In addition to other violations of rule, 24 licenses were revoked for failure to demonstrate that the microbusiness licenses were majority owned and operated by eligible individuals, pursuant to 19 CSR 100-1.190(1)(B)1-5 and Article XIV Section 2.4(12) and (13). One license was revoked for a disqualifying felony offense. The revocations took effect on April 14, 2025.

The charts below represent licenses from both first and second round and are specific to the revocations that were a result of the post-licensure verification for eligibility and ownership.



Approved to Operate

During 2025, the Facility Development Team within the DCR Section for Compliance and Enforcement (SCE) worked with microbusiness licensees who requested the commencement inspection process to become approved to operate (ATO). Licensees submit specific documentation according to the appropriate checklist found on cannabis.mo.gov to the assigned facility specialist. Once all documentation is reviewed and updated, the licensee's assigned compliance officer schedules and conducts a physical inspection of the facility. Licensees may not operate until DCR provides written approval.

Operational Microbusiness Facilities

License Round and Type	Number of ATO facilities
Round 1 dispensary	3
Round 1 wholesale	9
Round 2 dispensary	0
Round 2 wholesale	3
Total number	15

All Round 1 microbusiness licensees had an operational deadline of Oct. 2, 2025, which was two years from license issuance. Licensees who were not ready to commence by that time submitted variance requests, pursuant to 19 CSR 100-1.020(1)(B), explaining what circumstances might be considered good cause to extend their deadline. Where DCR found good cause to do so, licensees received variance approvals with a new deadline for commencement. Licensees who completed the variance form, paid the administrative fee and submitted sufficient explanation of good cause were granted a six-month penalty-free extension. After the initial extension, if these licensees need to extend the operational deadline for an additional six months, a penalty fee of \$250 per month will be assessed. Twenty-five operational deadline variances were provided to Round 1 microbusiness licensees.

Microbusiness Workgroup

The CEO established an internal DCR microbusiness workgroup consisting of leadership and staff from SCE. The group began meeting in August 2025 to create a cross-collaborative effort to increase effectiveness and consistency in DCR's approach to the microbusiness program. The workgroup's goal is to strengthen the success of the program while also improving efficiency within internal processes specifically for microbusiness licensees. Each meeting allows staff to share ideas for and experiences with the microbusiness program. This allows for a better understanding of the unique needs of the microbusiness licensees and development of best practices for both communication and compliance. The workgroup meets monthly and has developed a list of milestones for licensees to attain during the allotted two years before

operational deadline. This list will be used as a communication guide for compliance officers to track the progress of each microbusiness licensee.

Rule Revision

After reviewing experiences with and outcomes for the initial rounds of microbusiness licensing, DCR took time to carefully review final rules for the microbusiness program and determined that revision of those rules should occur before moving forward with the third round of licensing. In August 2025, DCR posted rule revisions concerning the microbusiness program for public comment and received feedback that helped to re-shape the continued work on revisions. Proposed rule amendments were filed in November 2025 with the Missouri Secretary of State office to begin the formal rule-making process. Once the process is complete, the third round of licensing for the Missouri microbusiness program will be announced to the public.

Future Microbusiness Licensing

Article XIV of the Missouri Constitution requires DCR to issue a minimum of 144 licenses; 48 dispensary and 96 wholesale licenses evenly dispersed among Missouri's eight congressional districts. DCR will host a variety of education and outreach events leading up to any future application period.

All current information regarding outreach events, application resources and microbusiness licensing may be found at cannabis.mo.gov. The application period for the third round will be held once revised rules for that round are effective.