

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 who was the designated contact for a license that was previously revoked for failure to comply with the ownership and operation requirements of this rule shall not be involved in any capacity in a future microbusiness application. All microbusiness applications in which such former designated contact has any involvement will be denied.

(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 an owner. 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 business. The following is a non-exhaustive list of arrangements that indicate a license is not owned and operated by the eligible applicants:

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

2. predatory financial arrangements such as exploitive exit fees by a consultant or manager;

3. any other documents, whether executed or in draft form, that may remove operational control from the eligible individual(s) listed in the application.

(G) All eligible individuals contributing to majority ownership shall complete mandatory pre-application training, which shall include, at a minimum:

1. predatory practices,

2. expectations for owning and operating a microbusiness,

3. compliant ways to invest, and

4. rule compliance expectations;