



MISSOURI DEPARTMENT OF
HEALTH &
SENIOR SERVICES

Abigail Vivas, Chief Equity Officer
Division of Cannabis Regulation

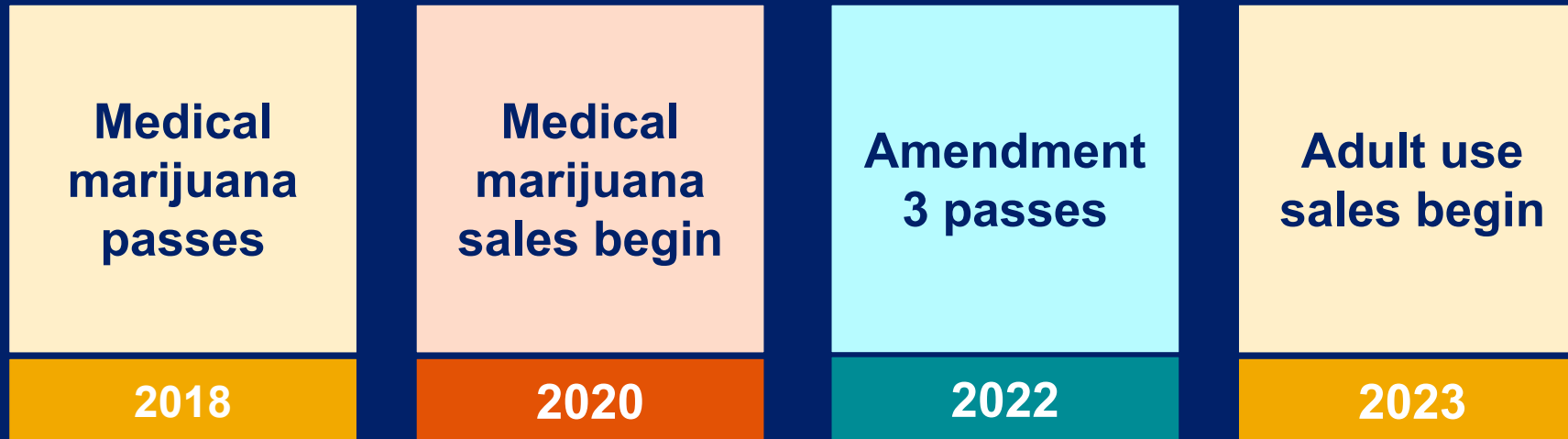


Division of Cannabis Regulation

Mission Statement

A program that provides safe and secure access to cannabis for qualifying Missouri patients and adult consumers over the age of 21 years through consistent regulation, enforcement, and education.

Cannabis in Missouri



MISSOURI DEPARTMENT OF
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Article XIV, Section 2

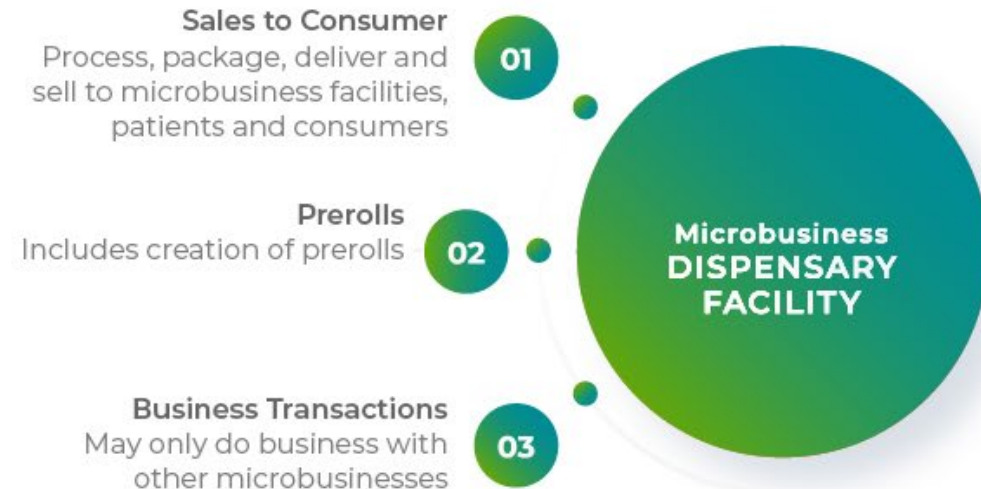
Microbusiness WHOLESALE FACILITY

Combines cultivation and manufacturing facilities to serve the medical and adult-use communities



Microbusiness DISPENSARY FACILITY

Facility where marijuana is dispensed for both medical and adult-use communities





Microbusinesses

Licensing opportunities:

- Minimum of 144 new business licenses
 - 3 separate lotteries over 18 months
 - Awarded by congressional district
 - 4 wholesale and 2 dispensary per district
- Lower application and license fee
 - \$1,500 for application; no annual fee first year
 - Refundable application fee
- Two years to become operational



Article XIV, Section 2

Chief Equity Officer:

- Develop and implement programs to inform the public of the opportunities available to people who meet eligibility criteria for microbusiness licenses.
- Establish public education and targeted technical assistance dedicated to providing communities that have been impacted by marijuana prohibition with information detailing the licensing process.
- Inform individuals of the support and resources that DCR can provide.
- Provide a report of their and the Department's activities in ensuring compliance with the eligibility criteria. The department shall provide such report to the legislature.

Microbusiness Timeline

Application forms and instructions available at Cannabis.Mo.Gov	Application acceptance period	Lottery drawing occurs and results announced	Microbusiness licenses awarded	Minimum standards and eligibility review of awarded licenses	Refunds for denied applications begin
June 4, 2023	July 27 – Aug. 10, 2023	Aug. 11 – Oct. 2, 2023	Oct. 2 – 4, 2023	Oct. – Nov., 2023	Nov. 5, 2023



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Ownership

"**Owner**" means an individual who has a financial (other than a security interest, lien, or encumbrance) or voting interest in ten percent or greater of a marijuana facility.

"**Ownership interest**" means any amount of financial or voting interest in a medical or marijuana facility license.

Must include all entities and individuals with ANY percentage financial or voting interest. Total percentage of financial or voting interest must equal 100%.

"**Majority owned**" means more than fifty percent (50%) of the financial interests (other than a security interest, lien, or encumbrance) or more than fifty percent (50%) of the voting interests of an entity, including any parent and subsidiary entities.

Applicants will designate which individuals are claiming majority ownership.



Ownership

- Applicants are not required to be Missouri residents.
- Majority owners must meet at least one eligibility criteria from Article XIV, Section 2
- An owner of a microbusiness facility may not also be an owner of another licensed marijuana facility or medical facility (includes testing or transportation)
If less than 10% ownership in existing license can apply for a microbusiness
- An entity/individual may only apply for one microbusiness license
- All individuals who hold at least 10% of the voting or financial interest (owners) must submit fingerprints within two weeks of the application submission date for a state and federal criminal background check.
If an individual has previously submitted fingerprints to the Department they are not required to submit fingerprints again.



Ownership

- A marijuana facility shall not have an owner with a disqualifying felony offense.

“Disqualifying felony offense” - is a violation of, and conviction or guilty plea to, state or federal law that is, or would have been, a felony under Missouri law, regardless of the sentence imposed, unless the department determines that:

- (a) The person's conviction was for a marijuana offense that has been expunged or is currently eligible for expungement under this section; or
- (b) The person's conviction was for a non-violent crime for which he or she was not incarcerated and that is more than five years old; or
- (c) More than five years have passed since the person was released from parole or probation, and he or she has not been convicted of any subsequent felony criminal offenses.



Required Documentation

- ✓ Entity legal name
- ✓ Visual representation of the applicant's ownership structure including all entities (and individuals).
- ✓ A valid (not expired) government-issued photo ID.
- ✓ For facilities that will be cultivating marijuana, the cultivation practices(s) (indoor, outdoor, or greenhouse) used by the facility.
- ✓ Proposed address of the facility
- ✓ Proposed blueprints that outline the entire facility and feature all rooms and areas clearly labeled, including purpose and square footage, camera locations, limited access areas, and access permissions.
- ✓ If applicable, copy of local government requirement replacing the department's 1,000 ft rule.
A copy of, and a hyperlink to, all local government requirements for facility location, applicable sections shall be highlighted in the copy of the regulations.



Eligibility Criteria

Eligibility Criteria for Majority Owners:

- Net worth of less than \$250,000 and have an income below 250% of federal poverty level for 3 of the 10 calendar years prior to application.
- Valid service-connected disability as determined by the U.S. Department of Veterans Affairs.
- Person who has been or person whose parent/guardian/spouse has been arrested, prosecuted, or convicted for a non-violent marijuana offense.



Eligibility Criteria

Eligibility Criteria for Majority Owners:

- Reside in a zip code where:
 - 30% or more population lives below federal poverty level; or
 - Rate of unemployment is 50% or higher than the state average; or
 - Historic rate of incarceration for marijuana-related offenses is 50% higher than the rate for the entire state.
- Graduated from a school district that was unaccredited or lived in a zip code containing an unaccredited school district for 3 of the past 5 years.



Eligibility Criteria

Have a net worth of less than \$250,000 and have an income below 250% of federal poverty level for 3 of the 10 calendar years prior to application.

1. Sworn 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
2. Documentation establishing that the applicant's gross household 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. 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.

Federal poverty guidelines issued by the U.S. Department of Health and Human Services



Eligibility Criteria

Have a valid service-connected disability as determined by the U.S. Department of Veterans Affairs.

1. A copy of the front of the applicant's current veteran health identification card demonstrating a service-connected disability; or
2. A copy of the applicant's VA benefit summary letter, dated within six (6) months before the date of the application, demonstrating a service-connected disability; or
3. A copy of the applicant's VA award letter, dated within six (6) months before the date of the application, demonstrating a service-connected disability; or
4. If none of these proofs are available, some other current evidence of service-connected disability which the department determines is sufficient proof of service-connected disability.

Additional information about obtaining veteran documentation can be found on the Department of Veterans Affairs website or the Missouri Veterans Commission.



Eligibility Criteria

Be a person who has been or person whose parent/guardian/spouse has been arrested, prosecuted, or convicted for a non-violent marijuana offense.

- *Offense must have occurred prior to December 8, 2021*
 - *Except for a conviction involving provision of marijuana to a minor or driving under the influence of marijuana.*
1. A copy of the relevant arrest record; or
 2. A copy of the relevant FBI background check; or
 3. A copy of the relevant arrest record and a letter from the prosecutor's office indicating the charge filed; or
 4. A copy of the relevant arrest record and a certified copy of the judgment of conviction; or
 5. A copy of the relevant arrest record and a certificate of expungement from a court; or
 6. If none of these proofs are available, some other evidence of the arrest, prosecution, or conviction which the department determines is sufficient proof of arrest, prosecution, or conviction of a non-violent marijuana offense; and



Eligibility Criteria

Non-violent marijuana offense continued:

7. If the arrest, prosecution, or conviction was for the applicant's parent, guardian, or spouse:
 - a. A valid (not expired), government-issued photo ID of the parent, guardian, or spouse; and
 - b. Proof of relationship:
 - i. A certified copy of the applicant's birth certificate; or
 - ii. A certified copy of the judgment of adoption or guardianship; or
 - iii. A certified copy of the marriage certificate; or
 - iv. If none of these proofs are available, some other evidence of relationship which the department determines is sufficient proof of relationship.

FBI background check used for eligibility must be completed separately from the FBI background check required for owners.



Eligibility Criteria

Residency in a ZIP code or census tract where:

- 30% or more population lives below federal poverty level; or
- Rate of unemployment is 50% or higher than the state average

1. Two (2) separate types of utility bills (i.e. one water bill, one electric bill) dated within the last four (4) months, which must include:
 - a. The name of the applicant;
 - b. The dates of service;
 - c. The service address; **and**
 - d. The billing address; **or**
2. A copy of a current residential lease, which must include the name of the applicant, the full address, the date the lease went in to effect and expires, and an affidavit from the applicant stating the applicant resides at that address; **or**
3. A copy of a residential mortgage which includes the name of the applicant and the full address, and an affidavit from the applicant stating the applicant resides at that address; **or**
4. 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 and the date assessed.
5. Other documentation sufficient to demonstrate residency; and



Eligibility Criteria

Poverty level or unemployment continued:

6. Documentation or screenshot from the most recent 5-year estimates published by the American Community Survey of the U.S. Census Bureau, for the department to verify the claimed resident ZIP code tabulation area or census tract contains the qualifying poverty or unemployment rate.
 - If an applicant submits documentation sufficient to demonstrate residency in a listed ZIP code, the requirement to submit documentation or a screenshot from the most recent American Community Survey is waived.
 - A list of qualifying Missouri ZIP codes, using data from the most recent American Community Survey (2016-2021), is available on the Department website.

The American Community Survey data can be found on the U.S. Census Bureau's website and on the Missouri Census Data Center website.



Eligibility Criteria

Residency in a ZIP code or census tract where historic rate of incarceration for marijuana-related offenses is 50% higher than the rate for the entire state.

1. Two (2) separate types of utility bills (i.e. one water bill, one electric bill) dated within the last four (4) months, which must include:
 - a. The name of the applicant;
 - b. The dates of service;
 - c. The service address; and
 - d. The billing address; or
2. A copy of a current residential lease, which must include the name of the applicant, the full address, the date the lease went in to effect and expires, and an affidavit from the applicant stating the applicant resides at that address; or
3. A copy of a residential mortgage which includes the name of the applicant and the full address, and an affidavit from the applicant stating the applicant resides at that address; or
4. 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.



Eligibility Criteria

Residency in a ZIP code or census tract where historic rate of incarceration for marijuana-related offenses is 50% higher than the rate for the entire state.

- A list of qualifying Missouri ZIP codes, using data obtained from the Missouri State Highway Patrol, is available within Rule and on the Department website.
- For individuals residing in a different state, the application must include data from a comparable state authority sufficient to demonstrate the claimed resident ZIP code or census tract contains the qualifying incarceration rate for marijuana offenses.



Variance: Incarceration Rate

- Applicable during the **July 27-August 10, 2023** application time period only.
- Applicants residing in another state or in a different Missouri ZIP code other than those listed in Rule may demonstrate eligibility by providing documentation sufficient to show the ZIP code or census tract area of residence has a historic rate of incarceration for marijuana-related offenses fifty percent (50%) higher than the rate for the entire resident state.
- Such documentation should provide an objective basis for concluding a ZIP code qualifies (Results of an independent study or an attestation from a state or local official).



Eligibility Criteria

Graduation from an unaccredited school district.

1. Documentation from the school district or a state accrediting authority sufficient for the department to verify that the school district was unaccredited at the time of graduation; **and**
 2. A certified copy of the applicant's high school diploma; **or**
 3. A letter from the applicant's high school demonstrating that the applicant graduated from the school and the year the applicant graduated.
- A list of qualifying Missouri school districts by year, provided by the Missouri Department of Elementary and Secondary Education (DESE), is available on the Department website.
 - If an applicant submits documentation demonstrating graduation from one of these school districts during a year it was unaccredited, the requirement to submit documentation from the school district or state accrediting authority is waived.
 - This list provides unaccredited school districts from 1993 – 2023. Per DESE there were no unaccredited schools in Missouri from 2018-2023. Those seeking documentation prior to 1993 may contact the school directly or the Division of Cannabis Regulation to verify accreditation status of the school.



Eligibility Criteria

Residency in a zip code containing an unaccredited school district for 3 of the past 5 years.

1. Documentation from the school district or a state accrediting authority sufficient for the department to verify that the school district was unaccredited during at least one (1) of the three (3) years the applicant resided in the school district; and
2. A copy of two (2) separate types of utility bills (i.e. one water bill, one electric bill,) for each quarter of the three (3) years that the applicant claims to have lived in said location which must include:
 - a. The name of the applicant;
 - b. The dates of service;
 - c. The service address; and
 - d. The billing address; or
3. Copies of residential leases for three (3) of the past five (5) years, which must include the name of the applicant, the full address, and the effective date and the expiration date of the lease; or



Eligibility Criteria

Residency in a zip code containing an unaccredited school district for 3 of the past 5 years.

4. A copy of a residential mortgage which includes the name of the applicant and the address, along with an affidavit that the applicant resided at that address during the applicable years; or
 5. A copy of three (3) of the last five (5) years' real or personal property taxes for the applicant, which must include the applicant's name, address, and the date; or
 6. 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)
- A list of qualifying Missouri school districts by year is available on the Department website.
 - If an applicant demonstrates residency in one of these ZIP codes for three (3) of the past five (5) years and the school district was unaccredited during at least one (1) of the three (3) years the applicant resided in the school district, the requirement to submit documentation from the school district or state accrediting authority is waived.



Variance: Eligibility Documentation

- Variance to the requirements in emergency rule **19 CSR 100-1.060(4)** for the application documents needed to demonstrate microbusiness applicant eligibility.
- Applicable during the **July 27-August 10, 2023** application time period only.
- Microbusiness applicants may demonstrate eligibility by submitting the documents listed in the proposed rules, set to be effective on July 30, 2023.
- More documentation types are allowable under the proposed rules than are allowable under the emergency rules.



Lottery Drawing

1. All timely applications submitted with an application fee will be entered into the lottery drawing.
2. After the application time period closes, applicants will be sorted by congressional districts and license type (wholesale or dispensary), and assigned a sequential applicant identifier within those groups.
3. The **designated contact** provided in the application will receive an email containing the applicant identifier prior to the drawing.
4. All applicants entered into the drawing will be listed in order drawn within their congressional district.
5. Random drawing results will be posted to the Department's website as soon as they are available.

Missouri Lottery will conduct the drawing without reference to the identities of the applicants using certified software to produce random results.



Application Review

- Prior to awarding licenses, the Department will review the applications in the order drawn.
- If requested, the applicant will have **three (3) business days** from the date the email is sent to provide the requested information or documents.
- Once the subsequent review period is complete, winners of licenses will be notified by email using the **designated contact**.
- All applicants that are issued a license or certification will be given **forty-eight (48) hours** to confirm they accept the license or certification.
- In the case that an application is denied or an applicant does not accept an awarded license, the next eligible applicant in that congressional district will be awarded the license.



Denials & Refunds

- Once all available licenses are issued the remaining applications entered into the lottery for that application time period will be denied.
 - *Applications will not carry over from one lottery to the next*
 - *Denied applicants may choose to apply in the next application period.*
- A refund will be issued to any applicant not chosen by the lottery that meets the criteria for a microbusiness license and has no pending or future legal actions related to the denial of the application.
- Requests for a refund will be accepted beginning **thirty-one (31) days** after the date of the denial, but no later than **six (6) months** after the date of the denial.



Outreach & Education

Outreach Forums

- Microbusiness informational events
- Application and eligibility information

Webinars

- “Hands on” application education
- Q&A Sessions

Digital Content

- Application Tutorials
- Printable Guides – application, eligibility
- Application Checklist
- Annual report of the CEO and Department's activities in ensuring compliance with the applicant criteria

Post Licensure Support

- Microbusiness networking
- Business resources



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The microbusiness website will be updated frequently, please check for additional information as it becomes available. All currently scheduled events are posted on the website

<https://cannabis.mo.gov>

Cannabisinfo@health.mo.gov

866-219-0165 (Tuesday-Thursday: 9am-3pm)