Division of Cannabis Regulation Guidance Document – 11.30.2023 Topic: Operational Deadline Extensions

Pursuant to 19 CSR 100-1.100(4)(E), all licensees must receive approval to operate within one (1) year of being issued a license or certification except microbusiness licensees, which must receive approval to operate within two (2) years of issuance. Absent a granted waiver or variance, licenses "may be revoked or sanctioned if not operational and active within the required time frame" per 19 CSR 100-1.100(4)(E).

Pursuant to 19 CSR 100-1.020(1)(A), DCR may, at its discretion, extend the operational deadline for good cause. DCR has previously approved lengthy extensions by variance due to the novelty of the industry and the COVID-19 pandemic causing delays. Since these conditions have changed, DCR may not approve an extension based on the rationales listed above or based on past experience. Licensees should be prepared for the possibility that the request may be denied and the license revoked. Extension approvals beyond what is outlined in rule will likely be in the form of an agreement with DCR that may include a schedule of penalties if operational milestones are not met. No variance request is approved unless DCR issues a written approval.

Variance requests for extension of the operational deadline should be submitted prior to the Licensee's operational deadline. A variance request will be reviewed once DCR has received all of the following:

- A completed <u>Variance Request</u> form.
 - Request must include a specific date by which the licensee will become operational.
- A completed <u>Variance Request Questionnaire</u>.
- Proof of payment of the \$100.00 processing fee.
- Description of good cause to extend the deadline, which should include:
 - Efforts licensee has taken to become operational in the time frame established by rule.
 - o The reasons the licensee cannot meet the rule requirement; and
 - A detailed plan for becoming operational by the proposed extended deadline.
- Documentation to support the claims by which the licensee is requesting the variance.

For questions regarding operational deadline, please reach out to your business license services specialist or <u>CannabisLicense@health.mo.gov</u> for assistance.