

Division of Cannabis Regulation

Section for Compliance & Enforcement

Instructions for Business Change Applications; 50% or More Change to Ownership Interest

Pursuant to 19 CSR 100-1.100(2) and 19 CSR 100-1.100(3), respectively, marijuana and medical facility licensees must apply for and obtain the department's approval before they may make any changes that would result in an overall change in financial or voting interests of fifty percent (50%) or more from the last approved ownership of the licensee. Such requests may only be submitted after the licensee has received approval to operate for a new license or certification.

INSTRUCTIONS

Licensees are required to complete the applicable Business Change Application Checklist. The following must be submitted through the online registry portal for the business change application to be considered complete:

- the applicable Business Change Application Checklist;
- fee; and
- **all** documentation outlined on the checklist.

The documents and information outlined in the checklist are the minimum required to verify the proposed change complies with Article XIV and 19 CSR 100-1. Considering the uniqueness of each request, DCR cannot anticipate questions that might arise from the documentation submitted or the need for additional documentation. Pursuant to 19 CSR 100-1.030(2)(B)3, licensed or certified entities must provide documents or records requested as part of an inspection or investigation within seven (7) days of the department issuing the request unless additional time is requested and granted. A department request for documents or records made as part of reviewing an application submitted by a licensee, such as a business change application, shall be considered an inspection of records. Failure to timely provide requested documents or records may result in a fine of up to five thousand dollars (\$5,000) for every day the requested documents or records have not been provided after the deadline.

Failure to submit all checklist documentation and payment within this time frame will result in denial of the business change application, and the licensee will be required to submit a new application for DCR to process the requested change. A new application fee will be required for applications denied for missing or incomplete documentation.

Business change applications will be approved if the request contains all documentation and fees required by 19 CSR 100-1.100, and the resulting change in location does not violate any provision of this chapter or Article XIV. If DCR determines that an applicant has provided false or misleading information in the application, the license may be subject to penalties, up to revocation. If you have any questions about the documentation or information requested in the Business Change Application Checklist, please reach out to your licensee's assigned Business Licensing Services Specialist.

Business Change Application Checklist – 50% or More Change to Ownership Interest

| Licensee Name | | License Number | |
|---|--|------------------------------------|--|
| Indicate License Type: | | | |
| <input type="checkbox"/> Marijuana Facility License (includes comprehensive and microbusiness licenses as well as testing and transportation certifications) <input type="checkbox"/> Medical Facility License (licenses designated as medical only) | | | |
| Verify | Department Requested Document | Licensee Uploaded Document Name(s) | |
| <input type="checkbox"/> | <p>All current and proposed owners of the licensed entity and their proposed individual ownership percentage;</p> <p>A chart comparing the previously approved ownership percentages to the proposed ownership percentages;</p> <p><i>Complete the Licensee Ownership Reporting Tool to show current (as of the date of application) and proposed ownership, including all individual ownership percentages of the licensed entity.</i></p> | | |
| <input type="checkbox"/> | <p>A visual representation of the licensee’s proposed ownership structure, including all owner entities;</p> <p><i>Organizational Chart</i></p> | | |
| <input type="checkbox"/> | <p>MICROBUSINESS LICENSEES</p> <p>Provide documentation sufficient to demonstrate eligibility for microbusiness facility ownership for all individuals whose interest will contribute to the majority interest, as provided in 19 CSR 100-1.060;</p> <p><i>Upload eligibility documentation for each individual, for all criteria selected</i></p> | | |
| <input type="checkbox"/> | <p>Verification that the change will not result in any substantially common control, ownership, or management between a testing licensee and any other medical or marijuana licensee;</p> <p><i>Complete the Common Control section of the Licensee Ownership Reporting Tool</i></p> | | |
| <input type="checkbox"/> | <p>An attestation that all individuals subject to analysis for disqualifying felony offenses will submit fingerprints within two (2) weeks after the application submission, or have submitted such fingerprints, for a state and federal fingerprint-based criminal background check to be conducted by the Missouri State Highway Patrol;</p> | | |
| <input type="checkbox"/> | <p>Current and proposed operating agreement(s), bylaws, and/or other documentation as applicable for the entity and all parent, subsidiary, and affiliated owner entities, to include</p> | | |

| | | |
|--------------------------|---|---|
| <input type="checkbox"/> | <p>capitalization schedule or exhibit of members, with percentages, in support of the proposed ownership;</p> <p><i>Agreements provided should allow the Department to arrive at the same interest percentage stated on the Ownership Reporting Tool for each entity and individual's percent of economic and voting interest</i></p> | |
| <input type="checkbox"/> | <p>Applicable agreements pertaining to interest purchase, sale, and/or transfer;</p> | |
| <input type="checkbox"/> | <p>Payment receipt for administrative and processing fee, which shall only be assessed once on multiple licensed entities with identical ownership making the same changes in ownership;</p> | <p>Payment is to be made through the registry system at time of application submission.</p> |
| <input type="checkbox"/> | <p>Narrative description of request;</p> <p><i>Detail all aspects of the proposed change</i></p> | |
| <input type="checkbox"/> | <p>Completed Business Change Application Checklist.</p> | |