

## **Division of Cannabis Regulation**

### **Section for Compliance & Enforcement**

### **Instructions for Business Change Application; Transfer Entity Same Ownership**

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 transfer their license to a different entity with the same ownership.

#### **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, 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 timeframe will result in denial of the business change application, and the licensee will be required to submit a new application for the department 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, fees, and information 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 the department 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 license's assigned Business Licensing Services Specialist.

## Business Change Application Checklist – Transfer Entity Same Ownership

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"/>	Current legal name of the licensee, including fictitious business names, and proposed new legal name of the licensee, including fictitious business names;		
<input type="checkbox"/>	Any entity that owns any part of the licensed entity and their individual ownership percentage, which must show the proposed new entity is owned by the same entities as is the licensee;  <i>Completed Licensee Ownership Reporting Tool to show current (as of the date of application) ownership, including all individual ownership percentages of the licensed entity.</i>		
<input type="checkbox"/>	A visual representation of the licensee’s ownership structure, including all entities that own any part of the licensed entity;  <i>Organizational Chart</i>		
<input type="checkbox"/>	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 capitalization schedule or exhibit of members, with percentages, in support of the proposed ownership;  <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>  <i>Include applicable agreements pertaining to interest purchase, sale, and/or transfer</i>		
<input type="checkbox"/>	IRS documentation of EIN;		
<input type="checkbox"/>	Payment receipt for administrative and processing fee	Payment is to be made through the registry system at time of application submission.	
<input type="checkbox"/>	Narrative description of request;  <i>Detail all aspects of the proposed change</i>		
<input type="checkbox"/>	Completed Business Change Application Checklist.		