

What You Need to Know About Medical Cannabis Businesses (MCB) In Missouri

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General Notes and Rules Applicable to All MCB Businesses

- Medical Cannabis is regulated by the Department of Health and Senior Services (DHSS) rather than Alcohol and Tobacco Control. It is treated as a pharmaceutical not an intoxicating substance.
- All MCB Businesses (including Testing Facilities and Transporters) must be majority owned by Missouri Citizens.
- All MCB products in Missouri must be cultivated, manufactured, tested, and sold in Missouri. No crossing state lines. Presumably, administrative rules will allow for the importing of seeds or immature plants by Cultivation facilities.
- No owner, employee, or any other officer of a MCB Business may have a disqualifying felony offense on their record. A “disqualifying felony offense” is a felony conviction or guilty plea unless any of the following apply:
 - the offense is determined to be MCB-related
 - the individual has been released from state supervision more than five years ago
 - the conviction was more than five years ago, was for a non-violent offense, and no jail time was served.
- Timeline for Licensure is as Follows:
 - January 5, 2019: Pre-Application Fees Accepted (does not guarantee a license or preferential review of application)
 - June 4, 2019: Application Forms and Instructions Available
 - July 4, 2019: Patient ID Card Applications Accepted (14 days to approve or deny)
 - August 3, 2019: MCB Business Applications Accepted (150 days to approve or deny)
- Financing and banking must take place through banks or credit unions that are not FDIC insured.
- No civil or criminal action (including state licensing revocation) may be taken against a health care provider, primary caregiver, attorney, or anyone involved in a MCB Business for their involvement with MCB. This does not include violations of MCB Constitutional Provisions, Laws, or Rules. It also does not include negligence or actions that are otherwise criminal.
- Medical Cannabis is approved for use for a variety of medical conditions. The patient must receive a certification from a physician and then apply for a patient access card from DHSS. The MCB may be used in any form recommended by the physician including topical applications.
- A seed to sale tracking system will be required for all plants grown in Missouri. There will be at least two systems approved by DHSS.
- The MCB Rules do not apply to CBD oils with less than 0.3% THC content. Missouri has separate rules for medical CBD usage.
- Administrative Rules will be finalized throughout 2019. Emergency rules will be put into place to meet the deadlines for applications and approval set by the Constitutional Measure. DHSS may not create Rules that put an undue burden on access to MCB. Local municipalities may not ban MCB, but may put reasonable zoning and business license requirement in place.

Rules for Cultivation Facilities

- There will be at 60 licenses available for Cultivation Facilities in 2019. The number may be increased by Rule, but that is unlikely to happen for at least the first three years.
- Licensing fees are currently at \$10,000 non-refundable application fee and a \$25,000 annual fee. In 2022, the application fee drops to \$5,000. A license is valid for three years. A facility may hold up to three licenses.
- There is currently no prohibition on vertical integration of MCB licenses. A Cultivation Facility may acquire, cultivate, process, store, and transport MCB. It may only sell its product to a Missouri licensed MCB business. If a Cultivation Facility wants to sell direct to consumers, or manufacture its own products, it will need a Dispensary or Manufacturing License.
- The Constitutional measure allows cultivation indoors, in a greenhouse, or outdoors. Security requirements will be set by rule. These requirements may make open field cultivation impractical. The limits on the size appear to apply per facility rather than per license. Administrative rules may clarify this issue after they are written.
 - The limit on indoor cultivation per facility is 30,000 ft² of canopy space.
 - The limit on outdoor cultivation per facility is 2800 plants.
 - The limit on greenhouse cultivation per facility is either 30,000 ft² of canopy space or 2800 plants at the choice of the licensee.

Rules for Manufacturing Facilities

- There will be at 86 licenses available for Manufacturing Facilities in 2019. The number may be increased by Rule, but that is unlikely to happen for at least the first three years.
- Licensing fees are currently at \$6,000 non-refundable application fee and a \$10,000 annual fee. In 2022, the application fee drops to \$3,000. A license is valid for three years. An entity may hold up to three licenses, but each facility may only have one license.
- There is currently no prohibition on vertical integration of MCB licenses. A Manufacturing Facility may acquire, manufacture, process, store, and transport MCB. It may only sell its product to a Missouri licensed MCB business. If a Manufacturing Facility wants to sell direct to consumers, it will need a Dispensary License.

Rules for Dispensaries

- There will be at 192 licenses available for Manufacturing Facilities in 2019. The number may be increased by Rule, but that is unlikely to happen for at least the first three years.
 - The wording of the Constitutional Provision places the minimum number of dispensaries at 24 per Congressional district. This could be interpreted by rule to create geographical limitations on licenses rather than as a total number for the entire state.
- Licensing fees are currently at \$6,000 non-refundable application fee and a \$10,000 annual fee. In 2022, the application fee drops to \$3,000. A license is valid for three years. An entity may hold up to five licenses, but each facility may only have one license.
- Only Dispensaries may sell MCB products direct to consumers. There is currently no prohibition on vertical integration of MCB licenses.
- MCB sales are subject to an additional 4% sales tax over the usual rate. Follow the usual rules for sales tax reporting and remitting, unless Rules are put in place stating otherwise.

- The amount of MCB sold to a single patient in a 30 day period may be limited, but cannot be less than 4oz. of unprocessed MCB or its equivalent.
- Detailed records of all patient sales must be kept on premises and made available for inspection upon request by a DHSS official.

Rules for Testing Facilities

- At least two facilities must be approved by DHSS for MCB testing.
- All MCB products sold in Missouri must be tested by these facilities. This may include raw MCB sold direct to consumers.
- A facility cannot be owned or operated by an entity holding another MCB Business License.
- A facility does not have to have any Federal certifications. DHSS will determine qualifications and set other standards.
- Potentially a \$5,000 application fee.

Rules for Transportation Companies

- Standards set by Rule. Presumably will mirror current standards for trucking companies in Missouri.
- Application fee of \$5,000.
- No minimum number of approvals required. No timeline for approval.

Notes of Interest on Individual Patient Rules

- Patients may grow up to 6 plants for personal use. Personal use plants must be grown indoors.
- Primary caregivers may have up to 3 patients for whom they obtain and/or grow MCB.
- Physician certification can stand in for ID Card while application is pending (30 days?).
- Limit of 4 oz. in 30 days on purchase. Limit of 8 oz. on possession (12 oz. if growing for personal use).
- Intoxication laws apply.