

The Chronicle: American Adult-Use Marijuana Laws - Licensing

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This category includes provisions that relate to the licensing process generally as well as those provisions that apply to all types of licenses each state issues. Statutory provisions covered by this category include those relating to the following:

- License qualifications
- Requirements and restrictions imposed on licensed facilities
- Caps on the number of licenses that may be issued
- License transfers
- Background checks on owners, officers, and employees of licensees
- Ownership disclosure requirements
- Changes to the ownership and organization of a licensee
- License expiry and renewal

Common Provisions

License qualifications

Alaska, Michigan, and Oregon require the regulator to issue rules providing the qualifications that must be met in order to obtain an adult-use marijuana license. The rest of the licensing states provide some statutory requirements as well as authorizing the regulator to provide supplementary requirements by regulation.

Merit-based criteria for licensure

All the licensing states except Maine statutorily provide qualifications for licensure or require the regulator to establish merit-based criteria to be used in award determinations.

Alaska, Massachusetts, and Michigan specifically require the license qualifications established by the regulator to be "directly and demonstrably related to the operation of a marijuana establishment."

Illinois statutorily provides an (extremely) extensive list of qualifications and considerations that are to be evaluated by the regulator in issuing each type of license.

Separate licenses required for separate locations

All the licensing states require a license application to designate the location of the licensed establishment. The manner in which some states word the requirement seems to imply that although a licensee may operate more than one licensed establishment, the licensee must nevertheless apply for and obtain a license for each separate location.

Illinois specifically states that a dispensing organization's license allows only for the operation of a dispensary at a single location. California explicitly requires licensees to apply for "a separate license for each location where it engages in commercial cannabis activity."

Limit on number of licenses held by a single person

The licensing states are divided as to whether they impose a limit on the number of licenses that may be held by a single person. California and Oregon explicitly permit a person to hold multiple licenses of the same or different types. Neither state places any limit on the number of licenses that a person may hold.

Maine plainly states that the "department may not impose any limitation on the number of each type of license that it issues to a qualified individual applicant." However, this prohibition does not app



retail licenses. A licensee may not hold more than four retail licenses until January 1, 2022, when this limitation is scheduled to be rescinded.

Massachusetts limits licensees to three of each type of license. Michigan limits persons to having an ownership interest in no more than five marijuana grower licenses or one marijuana microbusiness license. Michigan also restricts persons from having an ownership interest in multiple types of certain marijuana business licenses. For example, a person may not hold an ownership interest in both a marijuana secure transporter and a marijuana processor. Washington limits persons and entities from having a financial interest in more than five retail marijuana licenses.

Illinois limits a person to no more than 10 retail marijuana licenses, three cultivation center licenses, and two craft grower licenses (until 2022, at which point the regulator may raise the cap on the number of craft grower licenses to three). Washington prohibits persons from having a financial interest in more than five retail licenses.

Nevada's limitation scheme is particularly interesting, as it only applies in counties whose population equals or exceeds 100,000 people. In such counties, the regulator must not issue to any licensee "the greater of ... one adult-use cannabis establishment license; or [m]ore than 10 percent of the adult-use cannabis establishment licenses otherwise allocable in the county."

Conduct of multiple licensed operations at a single location

Oregon permits a person to hold multiple types of licenses for the same location.

Colorado permits a person to "operate a licensed medical marijuana center, an optional cultivation facility, a medical marijuana-infused products manufacturing facility, and any retail marijuana establishment at the same location if the local jurisdiction permits a dual operation."

Illinois permits retail licensees and infuser organization licensees to share premises with each other as well as craft grower licensees. Craft grower licensees may also share premises with a processing organization licensee. In order to share a licensed premises, the licensees must each store their respective currency and marijuana or marijuana-infused products in separate secured vaults that the other licensee cannot access, unless all licensees share more than 50% of the same ownership, in which case they may use the same vault.

Maine permits the same location to be licensed as a marijuana retail store, a cultivator, and a product manufacturing facility, so long as the licensee obtains a separate license for each activity.

Michigan prohibits both the regulator and localities from enacting any regulation or ordinance that would prohibit a marijuana grower, processor, or retailer from operating at the same location.



The remaining licensing states do not statutorily address whether multiple license types may be operated at a single location.

License transfers

Alaska, Colorado, Illinois, Maine, Massachusetts, Nevada, and Oregon require a licensee to get approval from the regulator before transferring a license. Washington's statutory scheme seems to imply that a retail license can be transferred so long as the retailer does not operate a vending machine or a drive-thru window. California and Michigan do not statutorily address license transfers.

Background checks on owners and officers of licensees

All the licensing states, except Washington, statutorily require background checks to be conducted on the owners and officers of a licensee prior to the grant of an adult-use marijuana license. Washington statutorily authorizes the regulator to require criminal history record checks, but does not require it to do so.

Nevada explicitly requires a person "who wishes to hold an ownership interest in a cannabis establishment of less than 5 percent" to submit an application to the regulator including a complete set of fingerprints and written permission for the regulator to forward the fingerprints to the FBI for a criminal history background check. Michigan requires the regulator to conduct a "background investigation on each person holding an ownership interest in the applicant."

It appears that Maine does not statutorily require background checks for owners of applicants that are business entities, but does require checks for "every officer, director, manager and general partner of the business entity."

Fingerprinting

All the licensing states except Michigan, Oregon, and Washington either statutorily require certain persons associated with a license applicant to be fingerprinted or direct the regulator to issue regulations requiring fingerprinting. Oregon authorizes the regulator to require fingerprinting but does not statutorily mandate that it do so. Washington authorizes the regulator to submit an applicant's information to the Federal Bureau of Investigation as part of a background check and requires the fingerprinting of any person whose information is submitted to the FBI. Michigan's statutes do not mention fingerprinting.

Identification of particular felonies prohibiting licensure



Most of the licensing states statutorily identify certain classes of felonies that, if committed by a licensee or an applicant, will result in the revocation or denial of a license. Alaska provides that an entity may not be registered (licensed) if an owner, officer, or agent of the licensee has been convicted of a felony and less than five years have elapsed from the time of conviction or the person is currently on probation or parole for that felony.

California permits the regulator to deny licensure if an applicant, owner, or licensee has been convicted of an offense that is "substantially related to the qualifications, functions, or duties of the business or profession for which the application is made."

Maine defines a "disqualifying drug offense" as a conviction for a violation of a state or federal controlled substance law that is punishable by imprisonment for one year or more, except the term does not include an offense for which the sentence was completed more than 10 years prior to the application or an offense related to the personal use or home cultivation of marijuana, as currently permitted by statute. Nevada provides a similar definition for the term "excluded felony offense."

License application must demonstrate entitlement to possess licensed premises

California, Colorado, Maine, Nevada, Oregon, and Washington require an applicant to demonstrate its entitlement to possession of the premises sought to be licensed.

Illinois requires an applicant that receives a conditional adult-use dispensing organization license to identify a physical location for the property it described in its application within 180 days of the date the license was awarded. If the applicant is unable to identify a suitable location within 180 days, the regulator may extend the period by an additional 180 days. If the applicant is unable to find a location within 360 days of the date of award of a license, the regulator must rescind the license award.

Oregon authorizes the regulator to refuse to issue a license or to issue a restricted license if it finds that the applicant is not the legitimate owner of the premises proposed to be licensed or if the applicant has not disclosed that other persons have ownership interests in the premises.

Identification of persons with a financial interest in a licensee

Most of the licensing states require an applicant to submit the name and address of persons having a financial interest in the applicant business. Oregon authorizes, but does not require, the regulator to require such disclosure from license applicants.

Illinois requires an applicant for a dispensing organization license to submit a "table of organization, ownership, and control," which must provide the following information:



- Management structure of the applicant
- Names of principal officers
- Percentage of ownership interest held by each owner
- Parent company, if any
- Names of each owner, board member, and officer of any parent company and his or her percentage ownership interest in the parent company and the applicant
- For publicly traded companies that apply:
 - The name and percentage of ownership interest of each individual or business entity with ownership of 5% or more of the voting shares of the entity
 - To the extent known, the names and percentage of interest of ownership of persons who are relatives of one another and who together exercise control over or own more than 10% of the voting shares of the entity

Annual license expiry or renewal

Almost all the licensing states provide that adult-use marijuana licenses expire if not renewed on an annual basis. Most of the licenses issued by Illinois expire on an annual basis unless renewed; however, adult-use dispensing organization licenses expire on March 31 of even-numbered years.

Michigan provides that all state licenses are effective for one year, "unless the [regulator] issues the state license for a longer term."

Marijuana establishment employees must be licensed

The Colorado regulator is required to issue "occupational licenses and registrations for owners, managers, operators, employees, contractors, and other support staff employed by, working in, or having access to restricted areas of the licensed premises."

Nevada defines a "cannabis establishment agent" to include employees and volunteers at marijuana establishments, as well as independent contractors (and their employees) who provide labor relating to the cultivation, processing, or production of marijuana. Cannabis establishment agents are required to obtain a registration card from the regulator. Oregon requires "an individual who performs work for or on behalf of a licensee" to have a permit issued by the regulator.

Illinois and Maine require employees of each type of licensee to apply for and obtain an agent identification card before beginning work.



Massachusetts requires the regulator to issue rules providing "any necessary registration requirements for employees working at [a] marijuana establishment."

Employee background checks

Illinois, Maine, Nevada, and Oregon require all employees of a licensee to undergo a criminal history record check before beginning work. Massachusetts requires "lab agents" to undergo a background check before beginning work. Colorado requires the regulator to issue regulations providing the qualifications to be licensed as an employee, including a requirement for a fingerprint-based criminal history record check.

Security systems

All the licensing states except Oregon and Washington require the regulator to issue regulations providing security requirements for licensed marijuana establishments. Most of the states also provide statutory security requirements that may be supplemented by the regulator. Illinois provides detailed statutory security requirements and also requires license applicants to submit detailed security plans, which the applicant must adhere to if their application is approved.

Washington authorizes, but does not require, the regulator to issue regulations regarding security requirements. Oregon requires the regulator to issue requirements for security at medical marijuana licensed establishments but has no similar requirement for adult-use establishments. However, it explicitly exempts the security plans of adult-use licensees from disclosure pursuant to public records laws, implying that such plans may be submitted to the regulator.

Operation of both medical and adult-use establishments at a single location

California explicitly permits an establishment to obtain both a medical marijuana and an adult-use marijuana license for the same location. Illinois similarly permits the operation of both types of licensed establishments, subject to the local government with jurisdiction over the area permitting such dual operation and the entity obtaining both types of licenses. Illinois also requires the location to have separate entrances and exits, inventory, point of sale operations, and record keeping for the two licenses operated at the location.

Nevada requires the regulator to establish procedures and requirements to enable a dual licensee to operate a medical marijuana establishment and an adult-use marijuana establishment at the same location. Michigan, Oregon, and Washington also permit medical marijuana and adult-use marijuana establishments to operate at the same location.



Massachusetts prohibits the regulator from issuing any regulations that would prevent a medical marijuana treatment center and an "experienced marijuana establishment operator" from operating a medical marijuana treatment center and a marijuana establishment at a shared location. An "experienced marijuana establishment operator" is defined as "(i) a medical marijuana treatment center as defined in chapter 369 of the acts of 2012 with a registration in good standing, or (ii) a reorganized marijuana business established by a vote of at least two-thirds of the board of directors of an entity that submitted an application for a registration to operate a medical marijuana treatment center to the department of public health before October 1, 2015 and was issued a provisional registration to operate a medical marijuana treatment center by the department of public health before the effective date of this chapter."

Maine, on the other hand, specifically prohibits the operation of a medical marijuana establishment and adult-use establishment at the same location.

Local limits on number of licensees

"To ensure the geographic dispersion" of the initial set of retail license holders, Illinois provides specific caps for the number of retail licenses that may be distributed in each of 17 Bureau of Labor Statistics regions, with the Chicago-Naperville-Elgin BLS region being capped at 47 retail licenses and most of the remaining BLS regions being allocated one or two licenses. After January 1, 2022, the regulator may modify the number of licenses available in each BLS region.

When making determinations whether to grant, deny, or renew a retail, microbusiness, or nonprofit license, California requires the regulator to consider "if an excessive concentration exists in the area where the licensee will operate." To determine if an "excessive concentration" exists, the regulator must consider the ratio of licensees to population in the relevant census tract or division as compared to the ratio in the county writ large, as well as whether the ratio of licensees to population in the census tract or division exceeds that allowable by a local jurisdiction.

Washington requires the regulator, in consultation with the office of financial management, to issue rules that provide the procedures and criteria necessary to determine the maximum number of retail outlets that may be licensed in each county. The regulator must consider population distribution, security and safety issues, access to marijuana sufficient to deter purchases from the illegal market, and the number of retail outlets with medical marijuana endorsements necessary to meet the needs of qualifying patients.

Nevada provides specific numbers of retail marijuana licenses to be issued in counties based on the population of each county.



Michigan prohibits the regulator from establishing a limit on the number of any type of state license that may be granted but authorizes municipalities to limit the number of marijuana establishments that may be operated within the municipality.

Alaska, Colorado, Maine, and Massachusetts also permit localities to place limits on the number of marijuana establishments that may be operated within the locality, rather than giving that power to the regulator.

Notice to local jurisdiction of a license application

Alaska, Colorado, Maine, Massachusetts, Michigan, and Washington require the regulator to provide notice of a license application to the locality with jurisdiction over an applicant's proposed location. California requires the regulator to notify the local jurisdiction of the application if the applicant fails to provide with the application adequate proof of compliance with local laws.

Deadline for issuance of renewal applications

Some states require the regulator to issue a renewal license within a certain amount of time of receipt of the renewal application and fee, so long as a licensee is in compliance with all requirements. Alaska requires the renewal to be issued within 45 to 90 days, Illinois imposes a deadline of 45 to 60 days (depending on the license type), and Massachusetts requires the renewal to issue within 30 days.

Michigan provides that a state license "is renewed upon receipt of a complete renewal application and a renewal fee from any marijuana establishment in good standing." Similarly, Nevada simply provides that an adult-use marijuana license "may be renewed upon" submission of the information required by regulation and the payment of the renewal fee.

Maine does not impose a deadline by which the regulator must issue a renewal application but instead permits a licensee that has filed a renewal application and paid all required fees before the expiration of its current license to continue to operate under its expired license until the regulator takes final action on the renewal application.

California, Colorado, Oregon, and Washington do not impose any time limit by which the regulator must grant or deny a renewal application, nor do they statutorily provide for automatic renewal upon submission of a renewal application and fee.

Licenses may be transferred to a different location



Colorado and Maine permit a licensee to transfer its license to a different location than was originally licensed upon approval of the regulator and the locality with jurisdiction over the new site.

Massachusetts permits a transfer to a new location upon the regulator's approval but does not statutorily require local approval of the new location. Nevada, on the other hand, permits a cannabis establishment to move to a new location within the jurisdiction of the same local government as its original location without any additional approval from the state regulator, so long as the local government approves the move. Nevada does not appear to allow transfers to new locations outside the jurisdiction of the local government with jurisdiction over the original location.

Oregon simply provides that a marijuana business license is transferable to a new location subject to the provisions of the Oregon Cannabis Regulation chapter, rules adopted thereunder, and applicable local ordinances. Alaska appears to permit the transfer of a license to a new location, as it refers to the regulator's inability to "transfer, between persons or locations, a registration for a marijuana establishment located within [a village that has voted to ban marijuana establishments]." Thus, in the absence of such a vote, it would appear that the regulator does have the power to transfer licenses to a new location.

With regard to retail licenses, Illinois specifically provides that a license is valid "only as designated on the license and for the location for which it is issued." There is no similar provision with regard to the other types of licenses issued by Illinois.

California does not appear to permit any type of license to be transferred to a new location, instead requiring licensees to "apply for, and if approved, ... obtain a separate license for each location where it engages in commercial cannabis activity."

Uncommon or Unique Provisions

General liability insurance required

Massachusetts requires the regulator to establish minimum standards for liability insurance coverage or minimum escrow requirements for coverage of liabilities. Oregon authorizes the regulator to require licensees to maintain general liability insurance in an amount that it "determines is reasonably affordable and available for the purpose of protecting the licensee against damages" resulting from activities undertaken pursuant to the license.

Domestic residency requirements

Maine requires licensees (other than testing facility licensees) to be residents of the state. Massachusetts only requires "craft marijuana cultivator cooperatives" to be "comprised of residents of the commonwealth." Washington requires a license applicant to have been a domestic resident



for at least six months before application and requires corporate entities applying for a license to have been formed under the laws of the state of Washington by persons who have been residents of Washington for at least six months.

Michigan imposes domestic residency requirements on license applicants for the first 24 months after the regulator begins to receive applications. However, the regulator is required to begin accepting applications from any applicant, regardless of residency, one year after it initially began accepting licenses if it "determines that additional state licenses are necessary to minimize the illegal market for marijuana in this state, to efficiently meet the demand for marijuana, or to provide for reasonable access to marijuana in rural areas."

Illinois provides applicants with bonus points in their application score if the applicant is 51% or more owned and controlled by an Illinois resident who can prove residency in each of the past five years with tax records.

Colorado, on the other hand, specifically authorizes non-Colorado residents and entities to own marijuana licenses; however, it imposes a number of other qualifications, including that "a direct beneficial interest owner who is a natural person" must be a U.S. citizen if he or she is not a Colorado resident.

"Good moral character" license denial

Colorado and Oregon permit the regulator to deny a license application if an individual applicant, or an officer, director, stockholder, or owner has a criminal history that indicates the person is "not of good moral character."

Illinois directs the regulator to deny an application for a conditional adult-use dispensing organization license if the regulator finds the applicant is "unqualified to perform the duties required of the applicant," or the applicant has "engaged in a pattern or practice of unfair or illegal practices, methods, or activities in the conduct of owning a cannabis business establishment or other business."

Employer of person with disqualifying criminal history may not be licensed

Colorado prohibits the *employer* of a person with a disqualifying criminal history record check from having an adult-use marijuana business license. No other state explicitly states that the employ of a person with a disqualifying criminal history, regardless of the employee's position with the company, prevents the employer from being licensed.

Law enforcement officers prohibited from licensure



Colorado and Maine prohibit law enforcement officers from holding an adult-use marijuana license.

Regulator must issue or deny license within a certain amount of time

Alaska, Maine, Massachusetts, and Michigan require the regulator to issue or deny a license application within 90 days of receipt of a complete application. Oregon prohibits the regulator from "unreasonably" delaying the processing, approval, or denial of an application, and if the application is approved, the issuance of the license.

"Directly and demonstrably" related to operation of a marijuana establishment

Alaska, Massachusetts, and Michigan require license qualifications established by the regulator to be "directly and demonstrably" related to the operation of a marijuana business.

Locality's preference considered in approval or denial of license applications

In the event that more applicants apply for a license than would be permitted under the cap on licenses, Alaska permits the regulator to consider the preference of the locality with jurisdiction over the proposed location regarding which applicant will receive a license.

Michigan requires a municipality to use a competitive process to award a license if more establishments apply for a license than are available under the municipality's cap on the number of licensed establishments.

Washington permits a locality to submit objections to the regulator to the licensing of a particular applicant. Such objections must be accorded "substantial weight" in the regulator's determination regarding whether to grant or deny a license or renewal application.

Regulatory approval of sale of more than 10% of a licensee or change of corporate officers

Washington requires the sale of more than 10% of the outstanding or issued stock of a licensee, or any proposed change in the officers of such a licensee, to be reported to and approved by the regulator before the sale or changes are made. Colorado imposes the same requirements, and additionally permits a locality to hold a hearing on any proposed transfer of ownership.

Nevada requires a person to obtain a cannabis establishment agent registration card before owning 5% or more of a cannabis establishment.

Illinois requires a change in the principal officers of a dispensing organization licensee to be approved by the regulator in advance.



Licensee must notify regulator before terminating operations

Colorado and Maine require licensees to notify state and local regulators at least 48 hours before "abandon[ing]" a licensed premises "or otherwise ceas[ing] operation" and to "account[] for and forfeit[] to the state licensing authority for destruction all marijuana or products containing marijuana."

Illinois requires dispensing organizations to notify the regulator at least three months before the effective date of the business closure. The dispensing organization is required to "work with the [regulator] to develop a closure plan that addresses, at a minimum, the transfer of business records, transfer of cannabis products, and anything else the [regulator] finds necessary."

Conditional licenses

California authorizes, but does not require, the regulator to issue a "provisional" license upon submission of a complete application so long as the applicant already held a temporary license for the same commercial activity at the same location.

Maine requires the regulator to issue either a denial or a conditional license upon receipt of a complete application that meets all legal requirements. A licensee that has been issued a conditional license may not engage in the cultivation, manufacture, testing, or sale of adult-use marijuana until the regulator issues an active license.

Massachusetts requires the regulator to issue regulations providing the "procedures for the interim authorization of a marijuana establishment."

Applicant must submit information regarding marijuana business-related violations in other states

Maine requires applicants that have held a marijuana license in other states to submit information regarding any violations or penalties imposed on the applicant by that other state. Illinois requires the principal officers of an applicant for a conditional adult-use dispensing organization license to submit information regarding whether that person has held an ownership interest in a dispensing organization in another state that has had its license subjected to disciplinary action.

Transfer of marijuana between marijuana establishments

Massachusetts prohibits the regulator from issuing regulations that ban "marijuana establishments from transferring or acquiring marijuana seeds, clones, cuttings, plants or plant tissue from other marijuana establishments or from medical marijuana treatment centers or prohibit a marijuana establishment from transferring or otherwise selling marijuana to a marijuana retailer, a marijuana



product manufacturer or a marijuana cultivator." Michigan also explicitly permits licensees to "transfer[], purchas[e] or otherwise obtain[], or transport[] marihuana to or from a marihuana establishment."

Washington permits marijuana cultivators to sell marijuana "at wholesale" to marijuana processors and other marijuana cultivators. Cultivators may also sell immature plants, clones, and seeds to cooperatives, qualifying patients, and caregivers. Marijuana processors may sell marijuana "at wholesale" to marijuana processors and retailers. It does not otherwise address the transfer of marijuana between and among licensees.

Alaska's language is not perfectly clear with regard to whether marijuana products may be transferred between licensed establishments. It provides that retail licensees may "purchase" marijuana and marijuana products from cultivators and marijuana product manufacturing facilities; however, it permits cultivators to "deliver, distribute, or sell" marijuana to retail, cultivator, or product manufacturing licensees. Similarly, product manufacturers are permitted to "deliver or sell" marijuana products to retail licensees or other product manufacturing licensees.

Illinois permits cultivation facilities to sell or distribute marijuana only to "a dispensing organization, craft grower, infusing organization, transporter, or as otherwise authorized by rule." Craft growers may sell or distribute to the same types of licensees as well as cultivation facilities. Infuser organization licensees may only sell or distribute to retail licensees.

License transfer to a surviving spouse or domestic partner

Subject to approval by the regulator, Washington permits a marijuana license to be transferred, without charge, to the surviving spouse or domestic partner of a deceased licensee if the license was issued in the names of one or both of the parties.

Oregon provides that a marijuana license expires upon the death of the person to whom the license was issued (if the license was issued to an individual rather than an entity), except that the regulator may provide for the continued operation of a licensed business "for a reasonable period following the death, insolvency, or bankruptcy."

Deduction of ordinary and necessary business expenses for income tax purposes

In computing net income for a marijuana business, Michigan permits the deduction of all ordinary and necessary expenses paid or incurred during the taxable year in carrying out the trade or business. No other state explicitly provides such a deduction for marijuana businesses.

Regulator must establish rules related to investors in marijuana licenses



Colorado requires the regulator to issue rules regarding "the parameters and qualifications of an indirect beneficial interest owner and a qualified limited passive investor." An "indirect beneficial interest owner" is defined to mean "a holder of a permitted economic interest, a recipient of a commercially reasonable royalty associated with the use of intellectual property by a licensee, a licensed employee who receives a share of the profits from an employee benefit plan, a qualified institutional investor, or another similarly situated person or entity as determined by the state licensing authority." A "qualified limited passive investor" means "a natural person who is a United States citizen and is a passive investor who owns less than a five percent share or shares of stock in a licensed retail marijuana business."

Material or substantial alteration of a licensed premises

California requires a licensee to obtain approval from the regulator before changing or altering the premises "in a manner which materially or substantially alters the premises, the usage of the premises, or the mode or character of business operation conducted from the premises."

Colorado requires the regulator to issue rules that provide "reporting requirements for changes, alterations, or modifications to the premises."

"Before remodeling, expansion, reduction, or other physical, noncosmetic alteration of a dispensary," Illinois requires the licensee to notify the regulator and confirm that the alterations are in compliance with the law and any applicable rules. In addition, any changes to the floor plan or security plan of a dispensary must be submitted to the regulator for preapproval.

Maximum quantity of marijuana on a licensed premises

Washington requires the regulator to adopt rules that provide the "procedures and criteria" to determine the maximum quantity of marijuana and marijuana products that may be on a licensed premises at any time.

Nevada appears to authorize the regulator to establish a maximum quantity of marijuana products that may be on a licensed premises at one time without requiring the regulator to establish such a maximum. The state exempts any person from criminal prosecution for possession, delivery, or production of not more than "a maximum allowable quantity of adult-use cannabis products as established by regulation of the Board."

Illinois, on the other hand, requires retail license applicants to identify in their application the "estimated volume of cannabis it plans to store at the dispensary."

Managers and employees must be residents of host state



Colorado requires all managers and employees of a retail marijuana establishment to be residents of Colorado upon the date of their license application. Maine requires all managers to be residents of the state but does not extend the requirement to all employees.

Notification of changes to marijuana laws

Alaska requires the regulator to notify all licensees and municipalities of "major" changes to laws and rules governing adult-use marijuana. For changes that affect only specific categories of licenses and permits, the regulator is only required to notify the affected licensees and municipalities.

	A	B
1		Alaska
2	Liability insurance or escrow requirements	
3	Merit-based criteria for licensure	117.38.121(b)(2) 17.38.190(a)(3)

- Illinois – All citations are to Chapter 410, Act 705 (Cannabis Regulation and Tax Act)
- Maine – All citations are to Title 28-B (Adult Use Marijuana)



- Massachusetts – All citations are to Title XV, Chapter 94G (Regulation of the Use and Distribution of Marijuana Not Medically Prescribed)
- Nevada – All citations are to laws set to take effect on July 1, 2020, per 2019 Nevada Laws Chapter 595 (A.B. 533)
- Vermont – All citations are to Title 18 (Health), except the citation to section 17 of Act 86 (2018)

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