

Green Rock – Insurance Brokerage

Insurance & Risk Management for the Medical Marijuana Industry

Marijuana Business - Licenses, Permits

Information contained here is drawn bi-annually from various sources as a short form summary guide, check the links to pages more regularly updated for up to the minute information.

Licensing Requirements

The type of licensing and documentation your marijuana business requires will depend on both the location of your operation and the sort of business you are conducting. For example, someone growing and marketing marijuana to retail businesses may require different licensing and permits than someone operating a dispensary.

The following state's licensing programs show the range of different approaches to the regulation of marijuana businesses:

Alaska	Alaska's laws provide for both medical and recreational marijuana. You may apply for a Marijuana Establishment License online, with supplemental application documents for marijuana cultivation facilities, product manufacturing facilities, testing facilities, retail stores, marijuana handler permits, and more.
Arizona	Licenses for cultivation and distribution are periodically issued. The state originally required all dispensaries to grow their own marijuana, though the law was changed such that not all dispensaries grow marijuana. All growers, however, must hold a license to operate a dispensary in addition to holding a separate license to grow. Arizona licensed dispensaries were selected by lottery in 2012 with applicants within a Community Health Analysis Area (CHAA) randomly selected from a pool of eligible applicants.
California	The state permits patients or caregivers to organize as a collective or cooperative. Collectives are not defined by the law. Cooperatives are effectively a kind of nonprofit organization. Since marijuana transactions are subject to sales tax, the individual or group selling or growing must also obtain a business license and remit sales tax through the use of a seller's permit. Recreational marijuana permits are not currently available.

Colorado	Licenses for both medical and recreational marijuana are available. The state requires any person or location with over 6 plants or 2 ounces of marijuana product to become a business under the local code and maintain a city Medical Marijuana Business license as well as a state license from the State Medical Marijuana Enforcement Division. Recreational marijuana is licensed separately, though the requirements are similar and include a required Business License.
Connecticut	A limited number of licenses are provided to growers and dispensaries based on the number of registered users. Connecticut requires dispensary registration with the state's Department of Consumer Protection. A limited number of both kinds of licenses are issued on a periodic basis. It is unclear when grower licenses will next be issued.
Delaware	Licenses for marijuana businesses are rarely available. The state licenses a single facility known as the "First State Compassion Center," which is authorized to cultivate and distribute marijuana. It is unclear at this time when, how, or if the state will authorize additional compassion centers.
Hawaii	Licenses for marijuana businesses are limited by state law to just a few. As of March 2017, eight applicants were selected by the Hawaii Department of Health and are expected to be up and running by the summer of 2017.
Illinois	Licenses for marijuana businesses are available on a limited basis. The state has only issued a single dispensary license and has yet to issue any licenses for cultivation. The state intends to authorize an initial 21 cultivator licenses and an estimated 60 medical dispensary licenses. See the state's section on the Medical Marijuana Dispensary Program to learn more.
Maine	Licenses are provided, but rarely available. The state has not licensed additional dispensaries since 2013. Although the state may presumably reopen application, there have been no new licenses issued in several years and no indication that there are plans to make more available. A regulatory framework for recreational marijuana businesses has not yet been established.
Maryland	Licenses are not yet available for marijuana businesses. The state is still in the process of developing an application process for distributors, growers, and processors of marijuana products. Draft regulations are awaiting adoption before licensure will be made available.
Massachusetts	Licenses for marijuana businesses are available on a limited basis. The state requires that marijuana businesses file an Application of Intent when seeking licensure. Applications are filed with the state's Health and Human Services department. The state plans to issue licenses for up to 35 dispensaries, though it is unclear when or how

	additional licenses will be made available.
Michigan	A set of rules enacted by Michigan's Dept. of Licensing and Regulatory Affairs on Dec. 20, 2016 establishes the framework for legally operating dispensaries, grow operations, and other related businesses. Originally, a 2013 decision by the Michigan Supreme Court found that the statute permits registered medical marijuana users to produce their own marijuana, or have a caregiver produce it on their behalf, but did not authorize businesses such as dispensaries or cultivators.
Minnesota	Licenses for marijuana businesses are not available. The state has limited the manufacture and distribution of marijuana. Two manufacturers were selected in December 2014. At present one of eight eventual dispensaries has opened with the rest opening at a later date. Both kinds of businesses are limited in number and no new businesses will be permitted without a change in law.
Nevada	Marijuana business licenses are available on a periodic basis. The state required cultivators, laboratories, production facilities, and dispensaries to apply during an initial establishment period in 2014. The law provides for the establishment of 66 dispensaries and 200 production facilities. Additional establishment opportunities may arise, but new applications cannot presently be filed.
New Hampshire	New Hampshire licensed a limited number of "Alternative Treatment Centers" (ATCs) for the production and distribution of marijuana. The state is still in the process of authorizing ATC proposed locations and operations, but at present no new licenses are being issued.
New Jersey	Licenses for marijuana businesses are not presently available. The state licenses businesses referred to as "Alternative Treatment Centers" (ATCs) for the production and distribution of medical marijuana. Applicants and their employees must make extensive disclosures and are subject to background checks among other requirements. Six ATCs have been licensed. New Jersey is not issuing additional licenses at this time.
New Mexico	Licenses are issued when the state determines there is a need. The state provided licenses to Licensed Non-Profit Producers (LNPP) to produce, distribute, and dispense medical marijuana. A second licensing scheme is available for those seeking to produce marijuana for personal consumption. No new licenses are currently being issued, but the New Mexico Department of Health monitors the availability of medical cannabis and may periodically reopen application for new facilities.
New York	Licenses are unavailable to new applicants, though a limited number will be issued to those already in the applicant pool. The state is in the process of selecting companies to be licensed for the manufacture and dispense of marijuana. New applications are not

	currently being accepted. The state intends to license 5 dispensary and grower licenses from among their pool of applicants.
Oregon	Licenses are required and available for both medical and recreational marijuana businesses. The state requires separate licenses and registration for growers and dispensary operators. Although the state has eliminated criminal penalties from possession and use of relatively large quantities of marijuana; medical dispensaries cannot sell marijuana except to persons registered with the Oregon Medical Marijuana Program. A separate licensing scheme is developing for businesses that will sell marijuana to the general public.
Rhode Island	Licenses for marijuana businesses are issued as the state determines need. The state licenses businesses referred to as "Compassion Centers." Applications can only be submitted during an open application period announced by the state as necessary. The state has three dispensaries currently in operation.
Vermont	Licenses are periodically available for marijuana businesses. The state has strictly limited the availability of licenses for marijuana businesses. The state licensed the creation and operation of four dispensaries. Dispensaries are non-profit entities licensed to acquire, possess, cultivate, manufacture, transfer, transport, supply, sell, and dispense marijuana and marijuana products. By law, no more than four dispensaries can be registered in the state at any given time. The state announces when licenses become available.
Washington	Licenses are not currently available. The state requires marijuana businesses to hold license as a producer, processor, or retailer of marijuana. No business can hold all three licenses. A producer may also be a processor, but no producer or processor may be a retailer. Washington issued a limited number of licenses and the window for application closed in November 2013. It is unclear when and if new licenses will be issued by the state.
Washington D.C.	Licenses are not currently available. Washington D.C. licensed a very limited number of dispensaries and cultivation centers in 2013/2014. There is no system presently in place to permit the issuance of additional licenses.

Many states and localities have restricted the number of dispensaries and cultivators or limit their size. Common barriers to starting a marijuana business include the high application fees, strict regulations, and stringent financial reporting and management requirements.