

Convert Medical Marijuana to Adult Use Business License

Application Directions

GENERAL INFORMATION

The appropriate application form must be filled out to apply for a license. You must obtain a license for ALL of the types of marijuana businesses you have. Failure to obtain all licenses will result in unlicensed businesses being shut down. Failure to comply with this may result in revocation of other marijuana licenses. Converting from a medical to adult use license means that you are giving up your medical license. If you wish to do business as BOTH a medical and adult use entity, you will need to hold BOTH types of licenses.

If there is not an adult use license of the type you want available, you will not be able to convert your business. Lebanon Town hall will be able to tell you on a day to day basis if any licenses are available.

The process for converting from medical to adult use is almost identical to the original application process, with a few minor differences because of regulatory differences between adult use and medical businesses. You will probably need to resubmit all of the paperwork and forms you had to submit for your initial application.

Once your form has been submitted and the non-refundable 10% application fee has been paid, the license(s) will be reserved for you. In the event that there are more applicants on a given day than licenses are available, the licenses will be issued by lottery. If there is a lottery, and you do not receive a license, your 10% application fee will be returned to you.

Once your application has been accepted, you will have 90 days to complete all requirements for the license. Should you need additional time, you may extend the application period for another 90 days by paying the balance of the fee. At the end of the second 90, if you still need additional time, you may petition the selectboard to extend your application time for up to one year from your initial application date.

Once all requirements of the application have been completed, you will be issued your adult use license(s).

If any application is not completed within the allotted time, the application will be considered to be “abandoned”, and that license will become available to other applicants. Any fees paid will not be refunded.

Licenses are valid for 1 year from the date that the original medical marijuana license was issued.

FEES

The fee to convert from a medical to adult use license is the difference between the fee for the medical business and the fee for the adult use business, prorated by quarter. Note that converting from medical to adult use does NOT extend your license – it will still need to be renewed on the anniversary of when it was first issued. The conversion from medical to adult use simply changes the license type, not the license date.

To calculate fee, a "quarter" is the 3, 6, 9, and 12 month anniversary of the license issue date. For example, a license issued August 14, 2020 would have the first quarter end on Nov. 14, 2020, second quarter end on Feb. 14, 2021, third quarter end on May 14, 2021, and fourth quarter end on Aug. 14, 2021. Any quarter that has not ended must be paid for.

For example, a Medical Retail Store license issued on Aug. 14th, 2020, wishing to convert to an Adult Use Retail Store on Feb. 1, 2021 would have completed their 1st quarter, but not the second (second doesn't end until Feb. 14, 2021), so they would be charged for three quarters. Because they are still in their first year of operation, they are still operating under the "one time fee", so the quarterly fee would be \$7,725, and their total fee would be $\$7,725 \times 3 = \$23,175$.

If the initial license was for a medical testing facility, and they have renewed their license at least once, the fee would be:

$\$500$ per quarter, $\times 3$ quarters = $\$1,500$.

NOTE: Converting from medical to Adult use does NOT change the effective date of your license. You will need to renew your license on the anniversary of when your initial license was issued, NOT the date of the conversion from medical to adult use.

INFORMATION ABOUT THE BUSINESS

If the business is not a sole proprietorship (meaning it has multiple owners (corporations, some LLCs, etc.), you must also complete the “Corporate Disclosure”, and all officers, owners, and directors must complete the “Corporate Disclosure Criminal background disqualification”.

If the business is located in a rental property, the “Landlord statement of permission” must be completed by the landlord, with the appropriate “Adult Use” businesses indicated.

ADDITIONAL INFORMATION

There is space on the back of the form to provide any additional information that you feel is relevant and should be considered. In most cases, this should be left blank.

LOTTERY

When you submit your application, and pay the 10% fee, you will be asked to select a lottery number for each license that you are applying for. The number must be between 1 and 69 (inclusive). If someone else has already chosen the lottery number for the license that you are applying for, you will need to pick another one (there cannot be any duplication of lottery numbers within a single license type).

ORDINANCE: The ordinance covering converting medical to adult use marijuana business is the Lebanon Adult Use Marijuana Business Ordinance”, which can be found at <https://www.lebanon-me.org/ordinances/files/lebanon-adult-use-marijuana-business-ordinance>