



Are you Ready? Florida Office of Medical Marijuana Use Sets Application Deadline for 22 More Medical Marijuana Treatment Center Licenses

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Presenters



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Today's Agenda

1. What are MMTCs?
2. April 2023 MMTC Batching Cycle
3. Future MMTC Batching Cycles
4. Competitive License Applications in General
5. 2023 MMTC Application

What are MMTCs?

- Licensed medical marijuana treatment centers (MMTCs) are vertically integrated and are the only businesses in Florida authorized to dispense medical marijuana and low-THC cannabis to qualified patients and caregivers.
- Wholesaling is prohibited.
- There are 788,752 qualified patients as of February 2, 2023.
- There are 524 dispensary locations associated with 22 existing, licensed MMTCs currently operating within the state.
- From January 27, 2023 through February 2, 2023, these 524 outlets sold nearly 280M milligrams of THC, which included almost 94K ounces in medical marijuana in a form for smoking.
- OMMU has notified applicants of an intent to award one “Pigford” (qualified Black farmer) license under a separate application process conducted in 2022.

April 2023 MMTC Batching Cycle

- On December 19, 2022, the OMMU published emergency rules describing the next competitive MMTC application rounds, which will occur in “batching cycles.”
- These batching cycles will take the form of five-day windows for prospective applicants to submit applications; such applicants will compete for limited licenses in each cycle.
- The next window will open on Monday, April 24, 2023, at 9:00 a.m. (EST) and close on Friday, April 28, 2023, at 5:00 p.m. (EST).
- 22 MMTC licenses are available in the April 2023 batching cycle.
 - Two reserved for qualified Citrus Growers.

Future MMTC Batching Cycles

- Applications for the April cycle will not carry over to any future batching cycles.
- Pigford applicants may apply in this batching cycle, and request transfer of the initial application fee already paid in the Pigford batching cycle.
- Future batching cycles could possibly be ordered under 381.986(8)(a)(4), F.S, which instructs OMMU to license four MMTCs per 100,000 patients after initial license awards (2017 + subsequent awards through administrative settlements).

2023 MMTC Application

- Instructions for Application provided on Form DH8052-OMMU-12/12/2022, “Medical Marijuana Treatment Center License Application Instructions, Requirements, and Forms” (published in December 2022).
- Application instructions include six parts, each with discrete subparts; the application requirements are principally addressed in part four.
- Applicants must submit an application that contains the information and materials requested in part four, which must be submitted in Adobe Acrobat PDF format and electronically bookmarked by section or subsection in the order below using the Adobe bookmarking function.

2023 MMTC Application

- Part four of the application form requires applicants to submit information and documents describing how the applicant would operate in compliance with FL law and OMMU regulations.
- In addition to biographical (e.g., ownership and control details) and financial information about the applicant, each applicant must submit dozens of operational narratives including:
 - Cultivation Plan, Dispensing Plan, IT Security Plan, Premises Security Plan, Recall Plan, Business Plan, and Diversity Plan.
- Each narrative is page limited; page limits are very low compared to other applications.

2023 MMTC Application – Key Points

- If you are considering applying, consider initial key prerequisites:
 - Formatting, declaration of exempt material, background check submissions, and submission instructions are technical; hire a professional or devote experienced in-house resources.
 - Applicant may designate information exempt from public disclosure, but OMMU or Court makes final determination.
 - The entity that applies must have been registered to do business in Florida for the previous five consecutive years.
 - ◆ Proof shown Certificate of Status in Department of State system
 - The entity that applies must have Department of Agriculture & Consumer Services nursery registration.

2023 MMTC Application – Key Points

- If you are considering applying, consider initial key prerequisites:
 - All owners and managers must complete and pass Level 2 background screenings (which include submission of full set of fingerprints).
 - ◆ Owner = “Any person who, directly or indirectly, owns (actually or beneficially) or controls, a 5% or greater share of interests of the applicant or a medical marijuana treatment center ...” [includes voting shares]. Other interpretive rules at Chapter 64-4.0001.
 - ◆ Manager = People with direct or indirect operational control, direction or management.
- Owners may not own *any* interest in any other MMTC.

2023 MMTC Application – Key Points

- If you are considering applying, consider initial key prerequisites:
 - Cultivation, Processing and Dispensing Plans.
 - ◆ Account for cultivation, processing, and dispensing authorization emergency rules (60/120/180 days).
 - ◆ Grow, Extraction, Production, Testing, Inventory, Delivery and Dispensing Plans (details in limited pages).
 - ◆ Description of “Infrastructure” and “ability to secure” – equipment, security, IT, etc.
 - ◆ GMPs.
 - ◆ Product Offerings.
 - ◆ Floor Plans, Site Plans, etc.
 - Detailed Schedule that Aligns with Budget, and Authorization Rules.

2023 MMTC Application – Key Points

- If you are considering applying, consider initial key prerequisites:
 - Security Schematics and SOPs.
 - Business Plan.
 - Demonstration of Cannabis, Agricultural, Pharmaceutical or Other Relevant Experience.
 - Disclosure of prior enforcement action related to marijuana or other business licenses for all owners and managers.
 - Appointment of Medical Director and Related Questions (conflicts, credentials, etc.).
 - ◆ Acknowledgement of course completion.
 - Diversity Plan.

2023 MMTC Application – Key Points

- If you are considering applying, consider initial key prerequisites:
 - Certified Financial Statements using GAAS and GAAP for the applicant entity.
 - Proof of available funding.
 - Capitalization Table, Disclosures of Affiliated Entities, etc.

Fundamentals for Competitive License Applications

- Different states have different priorities and different levels of comfort with cannabis businesses.
- Statutes, regulations, the RFPs, and extra-regulatory statements of regulators (such as guidance documents or FAQs) often identify the overall goals of a request for proposals.
- Because request for proposal processes are typically run by an executive branch agency, it is also important to understand the priorities of the executive, often expressed by the statements of a governor and/or his/her subordinates or in the enabling statute.
- At minimum, common themes are:
 - Experience in the Industry
 - Technical Experience (“SOPs on Steroids!”)
 - Regulatory Compliance
 - Local Participation
 - Minority Participation
 - Financial Ability

Fundamentals for Competitive License Applications

- Study Evaluation Criteria and Procedures released by OMMU.
- Be clear and answer the questions asked.
- Make the reader's job easy.
- Typically, applications are divided into sections and readers are assigned to review a specific part of each application. This means that a reader may read dozens or hundreds of responses – often dry, technical subjects – on the same subject.
- Address each part of the question in a prominent fashion.
- Where you are addressing a specific statute or regulation, make sure to note it.
- At the same time, ensure that your responses have personality and convey the characteristics of your application team.
- Again, application readers will read dozens or hundreds of similar responses. It is important to stand out and leave a strong impression.



Questions and Thank You!



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