

(2) The agency shall use information provided on the application as a basis to conduct a thorough background investigation on the applicant. The agency shall notify the applicant of a deficiency and provide instructions for submitting a complete application. The applicant shall timely respond to the notice of the deficiency in accordance with Rule 8.

(3) An applicant must provide written consent to investigations of compliance, regular inspections, examinations, searches, seizures, and auditing of books and records and to disclosure to the agency and its agents of otherwise confidential records, including tax records held by any federal, state, or local agency, or credit bureau or financial institution, while applying for or holding a state license as authorized under the act and these rules.

(4) An applicant must certify that the applicant does not have an interest in any other state license that is prohibited under the act.

(5) A nonrefundable application fee must be paid at the time of filing to defray the costs associated with the background investigation conducted by the agency. The agency shall set the amount of the application fee for each category and class of license by rule. If the costs of the investigation and processing the application exceed the application fee, the applicant shall pay the additional amount to the agency. All information, records, interviews, reports, statements, memoranda, or other data supplied to or used by the agency in the course of its review or investigation of an application for a state license under this act shall be disclosed only in accordance with the act.

Rule 6. Application procedure; requirements.

(1) A person may apply for a state license on the form created by the agency accompanied by the nonrefundable application fee as prescribed in these rules. The application shall be made under oath on a form provided by the agency and shall contain information as prescribed by the agency, including, but not limited to, attestations, disclosures, and information as required in Rule 7 and the act. Each question on the application must be answered by the applicant in its entirety and all information requested and required by the act and these rules must be submitted in the application. Failure to comply with these rules and the application requirements in the act is grounds for denial of the application.

(2) A person may submit a partial application under Rule 7 on the condition that it is to prequalify to complete the remaining application requirements. This application will have a pending status until all application requirements in Rule 7 are completed or the agency denies the partial or complete application. The agency shall not issue a state license at this stage of the application process. The finding of prequalification status for a pending application is valid for a period of 1 year after the agency issues a notice of prequalification status approval for a pending application unless otherwise determined by the agency. After 1 year has expired, the applicant may be required to submit a new application and pay a new nonrefundable application fee.

(3) The agency may request additional disclosures and documentation to be furnished to the agency. The applicant shall submit the information requested by the agency within 5 days pursuant to rule 8 or the application may be denied.

Rule 7. Application requirements; financial and criminal background.

(1) Each applicant shall disclose the identity of any other person who either controls, directly or indirectly, the applicant, including, but not limited to, date of birth, government issued identification, and any other documents required by the agency.

(2) Each applicant shall disclose tax information, including, but not limited to, W-2 and 1099 forms for the most recent tax year, and any other information required by the agency.

(3) Each applicant shall disclose the applicant's business organizational documents filed with any state, local county, or foreign entity, if applicable, including proof of registration to do business in this state and certificate of good standing from any state or foreign entity, if applicable.

(4) Each applicant shall disclose to the agency criminal and financial background information and regulatory compliance as provided under the act and these rules on a form created by the agency.

(5) Each applicant shall provide written consent to a criminal and financial background investigation as authorized under the act and these rules.

(6) Each applicant shall provide an attestation in writing that the person consents to inspections, examinations, searches, seizures, investigations of compliance, regular inspections, and auditing of books and records that are permitted under the act and these rules.

(7) Each applicant shall provide an attestation affirming a continuing duty to provide information requested by the agency and to cooperate in any investigation, inspection, inquiry, or hearing.

(8) Each applicant shall provide an attestation acknowledging that sanctions may be imposed for violations on a licensee while licensed or after the state license has expired, as provided in these rules.

(9) Each applicant shall provide an attestation acknowledging that the applicant must have a physical structure for the marijuana establishment and pass the precursors inspection within 60 days of a complete application being submitted to the agency. Failure to pass the precursors inspection within 60 days of the complete application being submitted to the agency may result in the application being denied in accordance with Rule 14.

(10) If the applicant holds or held a state license under the act or the rules, or a state operating license under the MMFLA and associated rules, or both, the applicant shall provide written consent allowing the agency to verify with the department of treasury that the applicant is not delinquent in the payment of sales, excise, or any other taxes.

(11) Each applicant shall disclose any noncompliance with any regulatory requirements, all legal judgments, lawsuits, legal proceedings, charges, or government investigations, whether initiated, pending, or concluded, against the applicant, that are related to business operations, including, but not limited to fraud, environmental, food safety, labor, employment, worker's compensation, discrimination, and tax laws and regulations, in this state or any other jurisdiction.

(12) Each applicant shall disclose any application or issuance of any commercial license or certificate issued in this state or any other jurisdiction that meets the requirements under the act and these rules.

(13) The applicant shall provide a social equity plan detailing a plan to promote and encourage participation in the marijuana industry by people from communities that have been disproportionately impacted by marijuana prohibition and enforcement and to positively impact those communities.

(14) Each applicant shall provide any other documents or attestations created by, or make any disclosures requested by, the agency that are not inconsistent with the act or these rules.

(15) An applicant shall submit in the application any information requested and required by the act and these rules.

Rule 8. Application requirements; complete application.

(1) A complete application for a state license must include all the information specified in Rule 7 and all of the following:

(a) A description of the type of marihuana establishment that includes all of the following:

- (i) An estimate of or actual number of employees.
- (ii) The projected or actual gross receipts.
- (iii) A business plan.
- (iv) The proposed location of the marihuana establishment.
- (v) A security plan, as required under the act and these rules.

(b) A copy of the proposed marihuana establishment plan, as required under Rule 11.

(c) An applicant shall pass the precensure inspection as determined by the agency and as required in Rule 12.

(d) Before a state license is issued or renewed, the licensee or renewal applicant shall file a proof of financial responsibility for liability for bodily injury on the form prescribed, for an amount not less than \$100,000.00. If the proof required in this subrule is a bond, the bond must be in a format acceptable to the agency.

(e) Confirmation of compliance with any municipal ordinances the municipality may have adopted under section 6 of the act, MCL 333.27956. For purposes of these rules, confirmation of compliance must be on an attestation form prepared by the agency that contains all of the following information:

(i) Verification that the municipality has not adopted an ordinance prohibiting marihuana establishments.

(ii) Description of any regulations within the municipality that apply to the proposed marihuana establishment.

(iii) The date and signature of the clerk of the municipality or his or her designee on the attestation form attesting that the information stated in the document is correct.

(iv) The date and signature of the applicant.

(v) The marihuana establishment name and address.

(vi) Attestation that any changes that occur with the municipal ordinance or any violations of a municipal or zoning ordinance will be reported to the agency.

(f) The disclosure of persons that have a direct or indirect ownership interest in the marihuana establishment.

(2) Each applicant shall provide any additional information and documents requested by the agency not inconsistent with the act and these rules.

(3) Each applicant shall provide any other documents, disclosures, or attestations created or requested by the agency that are not inconsistent with the act and these rules.

(4) If the agency identifies a deficiency in an application, the agency shall notify the applicant and the applicant shall submit the missing information or proof that the deficiency has been corrected to the agency within 5 days of the date the applicant received

the deficiency notice. The application is considered incomplete until the agency receives the missing information or proof that the deficiency has been corrected.

(5) The failure of an applicant to correct a deficiency within 5 days of notification by the agency may result in the denial of the application. An applicant denied under this subrule is not barred from reapplying by submitting a new application and fee.

Rule 9. State license; issuance; qualifications; ineligibility.

(1) The agency shall issue a state license to a qualified applicant whose application has been approved for issuance and who pays the required licensure or excess background investigation fees within 10 days of the state license being approved for issuance. Failure to pay the fees required under Rule 10 may result in a denial of state license.

(2) An applicant is ineligible to receive a state license if any of the following circumstances exist:

(a) The applicant has a prior conviction that involved distribution of a controlled substance to a minor.

(b) The applicant has knowingly submitted an application for a state license under the act that contains false information.

(c) The applicant is an employee, advisor, or consultant of the agency involved in the implementation, administration, or enforcement of the act or these rules pursuant to section 7 of the act, MCL 333.27957.

(d) The applicant holds an elective office of a governmental unit of this state, another state, or the federal government; is a member of or employed by a regulatory body of a governmental unit in this state, another state, or the federal government; or is employed by a governmental unit of this state. This subdivision does not apply to an elected officer of or employee of a federally recognized Indian tribe or to an elected precinct delegate.

(e) The applicant, if an individual, is not a resident of this state on the date of filing the application for a class A marihuana grower or for a marihuana microbusiness license. The requirements in this subdivision do not apply after December 6, 2021.

(f) The applicant does not hold a state operating license pursuant to the MMFLA and is applying for a marihuana retailer, marihuana processor, class B marihuana grower, class C marihuana grower, or a marihuana secure transporter license under the act and these rules. The requirements in this subdivision do not apply after December 6, 2021.

(g) The agency determines the municipality in which the applicant's proposed marihuana establishment will operate has adopted an ordinance that prohibits marihuana establishments or that the proposed establishment is noncompliant with an ordinance adopted by the municipality under section 6 of the act, MCL 333.27956.

(h) The applicant will hold an ownership interest in both a marihuana safety compliance facility or in a marihuana secure transporter and in a marihuana grower, a marihuana processor, a marihuana retailer, or a marihuana microbusiness, in violation of section 9 of the act, MCL 333.27959.

(i) The applicant will hold an ownership interest in both a marihuana microbusiness and in a marihuana grower, a marihuana processor, a marihuana retailer, a marihuana safety compliance facility, or a marihuana secure transporter, in violation of section 9 of the act, MCL 333.27959.

(j) The applicant will hold an ownership interest in more than 5 marihuana growers or in more than 1 marihuana microbusiness, in violation of section 9 of the act, MCL 333.27959.

(k) The applicant fails to meet other criteria established in these rules.

(3) In determining whether to grant a state license to an applicant, the agency may also consider all of the following:

(a) Whether the applicant or anyone who will have ownership in the marihuana establishment has a pattern of convictions involving dishonesty, theft, or fraud that indicate the proposed marihuana establishment is unlikely to be operated with honesty and integrity.

(b) Whether the applicant has been served with a complaint or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years.

(c) Whether the applicant has a history of noncompliance with any regulatory requirements, all legal judgments, lawsuits, legal proceedings, charges, or government investigations, whether initiated, pending, or concluded, against the applicant, that are related to business operations, including, but not limited to fraud, environmental, food safety, labor, employment, worker's compensation, discrimination, and tax laws and regulations, in this state or any other jurisdiction.

(d) Whether the applicant meets other standards in rules applicable to the state license category.

(4) The agency shall review all applications for state licenses and shall inform each applicant of the agency's decision.

(5) An applicant or licensee has a continuing duty to provide information requested by the agency and to cooperate in any investigation, inquiry, or hearing conducted by the agency.

Rule 10. Application; fees.

(1) At the beginning of each state fiscal year, the agency may increase the fees collected under this rule by ten percent (10%) in order to pay for implementation, administration, and enforcement of the act and these rules. An applicant for a state license shall submit an application that is accompanied by the nonrefundable application fee of \$6,000.00 upon initial application, as required under these rules. Additional fees are listed in the table below.

State License Type	Initial Licensure Fee	Renewal Fee
Class A Marihuana Grower	\$4,000	Bottom 33% - \$3,000 Middle 33% - \$4,000 Top 33% - \$5,000
Class B Marihuana Grower	\$8,000	Bottom 33% - \$6,000 Middle 33% - \$8,000 Top 33% - \$10,000
Class C Marihuana Grower	\$40,000	Bottom 33% - \$30,000 Middle 33% - \$40,000 Top 33% - \$50,000
Excess Marihuana Grower	\$40,000	Bottom 33% - \$30,000 Middle 33% - \$40,000 Top 33% - \$50,000