

FREQUENTLY ASKED QUESTIONS

Do I have to provide all documentation along with the tax return?

A copy of the single tax return would be sufficient. At this time, it is not required to provide copies of all the documentation attached to the tax return.

Can the same applicant apply for two different licenses at different locations?

No. The Policy for Merit System Procedure for Allocation of Limited Provisional License states that applications are limited to one entry per legal entity or family and limited to one entry per location.

Can I pay the required fees with a check?

As stated on the applications: All fees must be paid by cash, cashier check or money order.

If a license is received and a different company is created later can that change be made to a license?

No. Any change in a business structure would require a new application.

What is considered a medical certification, license or advanced degree?

Any medical certification or license would qualify. For example, applicants are free to document degrees in any health care field of study; i.e., physicians, nurses, physical, occupational or speech therapists, chiropractors, optometrists, ophthalmologists, etc. An example of a certification that would not merit a point under this category would be documented certification of completion of a medical billing program or course of study. In short, given the medical nature of the business under consideration, applicants are provided the opportunity to demonstrate his/her/its medical background or commitment to the medicinal benefits of medical marijuana.

What is the point value of the scoring criteria?

Each item will be given point value of either a zero (0) point or one (1). No fractional points will be awarded. The highest possible overall total score is sixty-five (65) points.

If I do not own the building, do I have to provide insurance or will a certification of intent be sufficient?

Yes, a certification of intent to insure would qualify.

What is clarification for total amount of capitalization to operate and maintain a provisioning center?

Applicant's should be aware that the State of Michigan requires a minimum level of capitalization for licensure of at least \$300,000. The City's scoring criteria attempts to assess the financial viability of any applicant in an effort to ensure that any provisional license granted under its Marijuana Facility License Ordinance will be held by those individuals or entities that have strong financial backing and a demonstrated ability to sustain provisioning center operations both now and into the future. The City's scoring criteria identifies three (3) levels of inquiry as regards business capitalization. Each level is considered on its own and each merits up to one (1) point. Should supporting documentation reflect an applicant has at least \$1,000,000 of capital, the applicant would receive three (3) points; should supporting documentation reflect an applicant has at least \$500,000 of capital, the applicant would receive two (2) points; or should supporting documentation reflect an applicant has at least \$300,000 of capital, the applicant would receive one (1) point.

If I paid for consideration of a local license but denied by the State, can I get my fees returned?

Yes and no. Any applicant for provisional licensure may withdraw their Provisioning Center Applications by written notice to the Clerk at any time and may receive a refund of up to one half of the application fee provided that no appeal process has occurred and the request was received no later than October 1st of the current year.

Should any applicant applying for a Grower, Processor, Secure Transporter or Safety Compliance Facility, for whatever reason, not receive a license under 68.04 C. (1) Application or (2) Provisional License, as provided under Chapter 68 of the General Ordinances of the City of Lapeer, provided written notice to the Clerk and may receive refund of one half of the application fee provided that no appeal process has occurred.

Who is the “applicant”? Who must file an application? Who is subject to the disclosures in the application process?

In furtherance of Michigan law, the City of Lapeer has attempted to use nomenclature and terminology consistent with applicable statutes and regulations. As set forth by the State of Michigan on its Department of Licensing and Regulatory Affairs website, persons wanting to operate a medical marihuana facility in the State of Michigan must file an application for a medical marihuana facility license

An “applicant” is defined as a person who applies for a state operating license. For purposes of ineligibility for a license (MMFLA section 402), the term “applicant” includes an officer, director, and managerial employee of the applicant and a person who holds any direct or indirect ownership interest in the applicant.

The term “affiliate” is only used in section 305 of the MMFLA and is defined as any person that controls, is controlled by, or is under common control with; is in a partnership or joint venture relationship with; or is a co-shareholder of a corporation, a co-member of a limited liability company, or a co-partner in a limited liability partnership with a licensee or applicant.

The term “affiliate” will no longer be used in the context of license application. Persons who meet the statutory definition of “affiliate” are bound by the provisions applicable to affiliates found in Section 305 of the MMFLA. This term is completely unrelated to identifying persons who must disclose information in an application for a medical marihuana facility.

According to the MMFLA, those who are required to file disclosures in an application are as follows:

- the applicant
- an officer, director, and managerial employee of the applicant
- any person who holds any direct or indirect ownership interest in the applicant
- those persons who are a “true party of interest”

A “true party of interest” is defined as follows:

- For an individual or sole proprietorship: the proprietor and spouse.
- For a partnership and limited liability partnership: all partners and their spouses.
- For a limited partnership and limited liability limited partnership: all general and limited partners and their spouses.
- For a limited liability company: all members, managers, and their spouses.
- For a privately held corporation: all corporate officers or persons with equivalent titles and their spouses and all stockholders and their spouses.

- For a publicly held corporation: all corporate officers or persons with equivalent titles and their spouses.
- For a multilevel ownership enterprise: any entity or person that receives or has the right to receive a percentage of the gross or net profit from the enterprise during any full or partial calendar or fiscal year.
- For a nonprofit corporation: all individuals and entities with membership or shareholder rights in accordance with the articles of incorporation or the bylaws and their spouses.

A "true party of interest" does not mean:

- A person or entity receiving reasonable payment for rent on a fixed basis under a bona fide lease or rental obligation, unless the lessor or property manager exercises control over or participates in the management of the business.
- A person who receives a bonus as an employee if the employee is on a fixed wage or salary and the bonus is not more than 25% of the employee's pre-bonus annual compensation or if the bonus is based on a written incentive/bonus program that is not out of the ordinary for the services rendered.