

Introduction

The contents in this document are not a substitute for reading all relevant laws and regulations.

Pursuant to Title 4 of the Delaware Code, Section 1331, the Delaware Marijuana Control Act (*4 Del.C. §1331*), the Office of the Marijuana Commissioner (the Commissioner) will accept marijuana business license applications for the following license types: Marijuana Cultivation Facility, Marijuana Product Manufacturing Facility, Retail Marijuana Store, and Marijuana Testing Facility. Applications that meet the minimum requirements will be entered into a lottery overseen by the Commissioner.

Application requirements for all license types must include the following:

1. A comprehensive business plan, including an annual budget and pro forma financial statements.
2. Plans for safety, security, and the prevention of product diversion.
3. Plans for operations, training, and staffing, including the following:
 - a. A social responsibility plan outlining diversity goals, including plans to recruit and hire people of color, women, and veterans and to support their ownership and promotion within the organization, as well as the percentage of employees it plans to hire from within the respective city or region of the State.
 - b. A plan to provide a safe, healthy, and economically beneficial working environment with fair scheduling practices, family-supporting wages, and benefits for its employees.
4. Discussion of any criminal, civil, or regulatory history encountered by other entities the applicant and managing officers have previously controlled or managed.
5. A capitalization table that details:
 - a. The ownership interest and control of the applicant or license holder.
 - b. Each person's percentage ownership interest and, if the business has a parent company, the name of each owner, board member, and officer of the parent company and the owner's, board member's, or officer's percentage ownership interest in the parent company and the marijuana business.

For Marijuana Cultivation Facility licenses and Marijuana Product Manufacturing Facility licenses only, the following additional submissions are required:

1. An environment and sustainability plan, including efforts it will take to minimize the environmental impact and resource needs of its facilities and other business operations, such as plans to minimize water usage, employing organic cultivation methods, and adoption of other sustainable business practices.
2. A quality assurance plan with written policies and procedures for a comprehensive quality assurance program.

*Please note, OMC regulations cited in this document may be subject to change prior to final adoption.

License Information

The Commissioner will issue a limited number of licenses for each license type, including open, social equity, and microbusiness licenses. The table below lists the number of applications that will be selected for each license type.

License Type	Total Open Licenses	Total Social Equity Licenses	Total Microbusiness Licenses
Marijuana Cultivation Facility (Indoor facility with canopy area \leq 2,500 square feet or an outdoor facility with canopy area \leq 1 acre)	N/A	10	20
Marijuana Cultivation Facility (Indoor facility with canopy area $>$ 2,500 square feet or an outdoor facility with canopy area $>$ 1 acre)	20	10	N/A
Marijuana Product Manufacturing Facility	10	10	10
Retail Marijuana Store	15	15	N/A
Marijuana Testing Facility	3	2	N/A

Open License – A license issued that is not a Social Equity license or Microbusiness license.

Open licenses will be issued for the following license types: Marijuana Cultivation Facility, Marijuana Product Manufacturing Facility, Retail Marijuana Store, and Marijuana Testing Facility.

Social Equity License – A license issued to qualified applicants that meet one of the following criteria:

- (1) An applicant for any type of license with at least 51% ownership and control by 1 or more individuals who have resided for at least 5 of the preceding 15 years in a disproportionately impacted area. [Social Equity Disproportionately Impacted Area \(DIA\) Map \(arcgis.com\)](#)
- (2) An applicant for any type of license with at least 51% ownership and control by 1 or more individuals who meets 1 of the following criteria:
 - a. Was convicted of or adjudicated delinquent for any marijuana-related offense under Delaware law prior to April 23, 2023, except any of the following:
 1. Delivery to a minor.
 2. Any marijuana offense with a Tier 3 quantity of marijuana as defined in §4751C of Title 16.
 - b. Had or has a parent, legal guardian, child, spouse, or dependent who was convicted of or adjudicated delinquent for a marijuana-related offense under Delaware law prior to April 23, 2023, with the exception of delivery to a minor or any offense involving a Tier 3 quantity of marijuana as defined in § 4651C of Title 16.

Social Equity licenses will be issued for the following license types: Marijuana Cultivation Facility, Marijuana Product Manufacturing Facility, Retail Marijuana Store, and Marijuana Testing Facility.

Microbusiness License – A license issued to qualified applicants that meet the following criteria:

- Intends to employ no more than 10 employees.
- Will not operate a facility with a marijuana plant grow canopy area greater than 2,500 square feet.

Microbusiness licenses will be issued for the following license types: Marijuana Cultivation Facility and Marijuana Product Manufacturing Facility.

Lottery Information

Applications will be evaluated on a pass/fail basis. Applications that meet the minimum requirements are considered “passing” and will be included in an impartial and random lottery to award the recipients of a conditional license. **Entrance into the lottery does not guarantee a license.** The Commissioner will notify all applicants whether they meet the minimum qualifications and if they will be entered into the lottery.

The Commissioner may deny any application(s) that:

- Is incomplete in any material detail.
- Contains a material misstatement, omission, misrepresentation, or untruth.
- Does not meet the minimum qualifications for the license type.
- Is submitted past the established deadline.
- Fails to supply additional information requested by the Commissioner.
- Is found to be materially identical to another application.
- Violates license ownership and/or financial interest requirements for the license type.

Validation of social equity status is required to be considered for a social equity conditional license. If an applicant fails to provide proof of their social equity eligibility, their application may be rejected.

In accordance with OMC regulations section 4.1.2¹, an applicant may not apply for any license that would result in the applicant, or a person with a financial interest in that application, owning or operating more than 1 Marijuana Establishment of the same license type in a single county. **All applications with duplicative ownership across a single license type in a single county will be disqualified.** Applicants are permitted to apply for and be issued more than 1 license in a single county as long they are different license types.

Applicants are not required to obtain, own, or rent any property or facilities as a requirement to be entered into the lottery. Applicants who are selected in the lottery and receive a conditional license must identify the physical location for their licensed premise and become operational within 18 months from the date the conditional license is issued.

The Commissioner will inform all applicants within 10 days following the lottery whether they were selected to receive a conditional license. The Commissioner may request additional information or supporting documentation from an applicant selected in the lottery to verify aspects of the application. An applicant may be denied a conditional or active license if they fail to provide any additional information or supporting documentation within 10 business days of such a request, or if additional information submitted demonstrates the applicant is not eligible for a license. The Commissioner may extend the 10-day requirement if the applicant demonstrates a good faith effort towards completion.

NOTE: Selected applicants are required to complete a supplemental license application within 30 business days from the date of notification of selection from the Commissioner. The supplemental application includes final versions of several of the plans requested in the minimum criteria below. Selected applicants will also be required to undergo a criminal background check, a comprehensive financial background investigation, submit a Certificate of Tax Clearance, and provide all other documents and verifications required by the Commissioner.

Applicants not selected by the lottery may request that the Commissioner retain their application for 1 year. The Commissioner may contact an applicant with a retained application for additional information. Retained

¹ Please note, regulations cited in this document may be subject to change prior to final adoption.

applications that meet the minimum requirements will be automatically entered into a subsequent application period if the applicant has properly updated their application.

Application Instructions

To promote applicant success while ensuring the minimum qualifications for licensure are met, the following tables will serve both as guidelines for applicants and a tool for application review. **Applicants are strongly encouraged to use the tables below to complete their application.**

When completing the application, please consider the following:

1. Applicants must use the provided templates for all attachments.
2. Application criteria will be evaluated on a pass-fail basis. Only the requested information will be reviewed. Additional information may be provided but will not be considered for review.
3. The table below should be used as a checklist to ensure all minimum requirements are met.
4. Prior to submitting your application, you will need to have the following documents ready for attachment in PDF form:
 - a. If you participated in the social equity eligibility validation process, proof of your validation.
 - b. Attachment 1: Comprehensive Business Plan
 - c. Attachment 2: Safety, Security, and Product Diversion Prevention Plan
 - d. Attachment 3: Operating Plan
 - e. Attachment 4: Staff and Employee Training Plan
 - f. Attachment 5: Capitalization Table (*excel*)
 - g. Attachment 6: Environmental and Sustainability Plan*
 - h. Attachment 7: Quality Assurance Plan*

*Requirements for Marijuana Cultivation Facility license and Marijuana Product Manufacturing Facility license applicants only.

5. Any information provided in the application that indicates the applicant will be in violation of 4 *Del.C. §1331*, or any other state or federal law will result in a “fail” for the application. Please review all relevant statutes and regulations prior to the submission of your application.

Attachment 1 – Comprehensive Business Plan

Application Requirement	Details	Criteria for Passing	Criteria for Failure
<p>Comprehensive Business Plan</p>	<p>Applicants must provide a comprehensive business plan that includes the following 4 elements:</p> <ol style="list-style-type: none"> 1. Pro forma financial statements. 2. Expected size of the business, including: <ol style="list-style-type: none"> a. projected revenue, b. projected sales, and c. number of employees. 3. Anticipated startup costs for the physical location of the business, such as construction costs or required equipment. 4. Anticipated annual budget including: <ol style="list-style-type: none"> a. costs for the necessary permits and licenses, b. building rent, c. utilities, d. wages, e. any additional costs. <p>Applicants must also attest that, upon receiving a conditional license and as a requirement to receive a full license, they will submit additional business plan details in accordance with requirements determined by the Commissioner.</p>	<ul style="list-style-type: none"> • Used the provided template. • Included the 4 elements listed. • Completed attestation for future requirements. 	<ul style="list-style-type: none"> • Did not meet format requirements and/or use the provided template. • Did not include the 4 elements listed. • Did not complete attestation for future requirements.

Attachment 2 – Safety, Security, and Product Diversion Prevention Plan.

Application Requirement	Details	Criteria for Passing	Criteria for Failure
Safety Plan	<p>Applicants must provide a safety plan that includes the following 4 elements:</p> <ol style="list-style-type: none"> 1. A plan to comply with all applicable federal workplace safety laws and regulations in accordance with the General Duty Clause of the OSH Act (Public Law 91-956) and 29 C.F.R provided by the Occupational Safety and Health Administration (OSHA). 2. A plan to comply with any other applicable federal, state, or local laws and regulations pertaining to workplace safety, including, but not limited to: <ol style="list-style-type: none"> a. National Fire Protection Association (NFPA) standards, b. International Building Code (IBC) standards, c. International Fire Code (IFC) standards, and d. any additional standards. 3. Applicants for Marijuana Establishments that handle or 	<ul style="list-style-type: none"> • Used the provided template. • Included the 4 elements listed. • Completed attestation for future requirements. 	<ul style="list-style-type: none"> • Did not meet format requirements and/or use the provided template. • Did not include the 4 elements listed. • Did not complete attestation for future requirements.

	<p>otherwise conduct activities with food, food ingredients, or food products must provide a plan to comply with all applicable requirements in the State of Delaware Food Code.</p> <p>4. A plan to comply with the safety requirements for the Marijuana Establishment’s respective license type, as required by 4 <i>Del.C.</i> §1331.</p> <p>Applicants must also attest that, upon receiving a conditional license and as a requirement to receive a full license, they will submit additional safety plan details in accordance with requirements determined by the Commissioner.</p>		
<p>Security and Diversion Prevention Plan</p>	<p>Applicants must provide a security and diversion prevention plan that includes the following 5 elements:</p> <ol style="list-style-type: none"> 1. A plan to ensure all usable marijuana plants, marijuana, and marijuana products are stored in a locked area with adequate security. 2. A plan to deter and prevent the unauthorized entrance into areas containing marijuana plants, marijuana, and marijuana products, and theft of marijuana plants, 	<ul style="list-style-type: none"> • Uses the provided template. • Included the 5 elements listed. • Completed attestation for future requirements. 	<ul style="list-style-type: none"> • Did not meet format requirements and/or use the provided template. • Did not include the 5 elements listed. • Did not complete attestation for future requirements.

	<p>marijuana, and marijuana products. The plan must include the following elements, as required by OMC regulations section 6.3.2.:</p> <ul style="list-style-type: none"> a. doors and windows, b. alarm system, c. lighting, and d. video surveillance. <p>3. A plan for the documentation and reporting of alarm or video surveillance failure, as required by OMC regulations section 6.3.2.5.</p> <p>4. A plan for the documentation and reporting of theft or diversion, as required by OMC regulations section 6.3.3.</p> <p>5. A plan to comply with the security requirements for the Marijuana Establishment’s respective license type, as required by <i>4 Del.C. §1331</i>.</p> <p>Applicants must also attest that, upon receiving a conditional license and as a requirement to receive a full license, they will submit additional security and diversion prevention plan details in accordance with requirements determined by the Commissioner.</p>		
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Attachment 3 – Operating Plan

Application Requirement	Details	Criteria for Passing	Criteria for Failure
<p>Operating Plan</p>	<p>Applicants must provide an operating plan that includes the following 4 elements:</p> <ol style="list-style-type: none"> 1. Oversight procedures, including documentation of the reporting and management structure of the Marijuana Establishment. 2. Procedures for the safe handling of marijuana plants, marijuana, and marijuana products. 3. Procedures to ensure accurate record keeping, including protocols to ensure that quantities of marijuana and marijuana products purchased do not suggest re-distribution. 4. A proposed organizational chart with job descriptions for all employees, managers, and volunteers. Job descriptions should include duties, responsibilities, authority, qualifications, and supervision. <p>Applicants must also attest that, upon receiving a conditional license and as a requirement to receive a full license, they will submit additional operating plan details in accordance</p>	<ul style="list-style-type: none"> • Used the provided template. • Included the 4 elements listed. • Completed attestation for future requirements. 	<ul style="list-style-type: none"> • Did not meet format requirements and/or use the provided template. • Did not include the 4 elements listed. • Did not complete attestation for future requirements.

	with requirements determined by the Commissioner.		
Financial Compliance Plan	Applicants must attest that, upon receiving a conditional license and as a requirement to receive a full license, they will submit a plan to comply with guidance pertaining to marijuana issued by the Financial Crimes Enforcement Network under the Bank Secrecy Act (<i>31 U.S.C. § 5311 et seq.</i>). This plan may include letters regarding the applicant’s banking history from banks or credit unions from banks or credit unions that certify they are aware of the business activities of the applicant in any state where the applicant has operated a business related to personal use or medical marijuana.	<ul style="list-style-type: none"> • Used the provided template for attestation. • Completed attestation for future requirements. 	<ul style="list-style-type: none"> • Did not meet format requirements and/or use the provided template. • Did not complete attestation for future requirements.

Attachment 4 – Staff and Employee Training Plan

Application Requirement	Details	Criteria for Passing	Criteria for Failure
Employee Training Plan	<p>Applicants must provide an employee training plan that includes the following 2 elements:</p> <ol style="list-style-type: none"> 1. Proper use of security measures and controls that may be adopted by the Marijuana Establishment. 2. Specific procedures for responding to an emergency, including robbery or violent accident. 	<ul style="list-style-type: none"> • Uses the provided template. • Included the 2 elements listed. • Completed attestation for future requirements. 	<ul style="list-style-type: none"> • Did not meet format requirements and/or use the provided template. • Did not include the 2 elements listed. • Did not complete attestation for future requirements.

	<p>Applicants must also attest that, upon receiving a conditional license and as a requirement to receive a full license, they must develop, implement, and maintain an on-site training curriculum, or enter into a contractual arrangement with outside resources capable of meeting all training needs.</p>		
<p>Social Responsibility Plan</p>	<p>Applicants must provide a social responsibility plan that includes the following 4 elements:</p> <ol style="list-style-type: none"> 3. The diversity goals for the Marijuana Establishment. 4. A plan to recruit and hire people of color, women, and veterans. 5. A plan to support ownership and promotion within the organization for people of color, women, and veterans. 6. A plan to promote the hiring of employees within the respective city or region of the State. <p>Applicants must also attest that, upon receiving a conditional license and as a requirement to receive a full license, they will submit additional social responsibility plan details in accordance with requirements determined by the Commissioner.</p>	<ul style="list-style-type: none"> • Uses the provided template. • Included the 4 elements listed. • Completed attestation for future requirements. 	<ul style="list-style-type: none"> • Did not meet format requirements and/or use the provided template. • Did not include the 4 elements listed. • Did not complete attestation for future requirements.

<p>Safe and Healthy Workplace Plan</p>	<p>Applicants are to provide a safe and healthy workplace plan that includes the following 3 elements:</p> <ol style="list-style-type: none"> 7. A plan to ensure fair scheduling practices for all employees and volunteers of the Marijuana Establishment. 8. A plan to provide family-supporting wages to all employees of the Marijuana Establishment. 9. A plan to provide benefits to all employees of the Marijuana Establishment. <p>Applicants must also attest that, upon receiving a conditional license and as a requirement to receive a full license, they will submit additional safe and healthy workplace plan details in accordance with requirements determined by the Commissioner.</p>	<ul style="list-style-type: none"> • Uses the provided template. • Included the 3 elements listed. • Completed attestation for future requirements. 	<ul style="list-style-type: none"> • Did not meet format requirements and/or use the provided template. • Did not include the 3 elements listed. • Did not complete attestation for future requirements.
<p>Applicant and Managing Officer History Overview</p>	<p>10. Applicants are to provide an account of any criminal, civil, or regulatory actions that have been taken against any business entities previously controlled or managed by the applicant or any of the managing officers. This overview may include:</p>	<ul style="list-style-type: none"> • Used the provided template. • Included the required information. 	<ul style="list-style-type: none"> • Did not meet format requirements and/or use the provided template. • Did not include the required information.

	<ul style="list-style-type: none">• Criminal History: A summary of any criminal charges, investigations, or convictions, including dates, jurisdictions, and outcomes.• Civil Litigation: Details of any civil lawsuits or legal actions, specifying the nature of the cases, dates, courts involved, and resolutions or current status.• Regulatory Actions: An account of any regulatory actions or violations, including:<ul style="list-style-type: none">○ Fines or penalties levied by governmental or regulatory bodies.○ Notices of violation or compliance orders.○ Details of any suspensions, revocations, or denials of licenses or permits. <p>Each entry should include relevant dates, involved parties, nature of the incidents, and outcomes.</p>		
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Attachment 5 – Capitalization Table

Application Requirement	Details	Criteria for Passing	Criteria for Failure
Business Capitalization Table	<p>Applicants must provide a capitalization table that details the following information:</p> <ol style="list-style-type: none"> 1. The ownership interest and control of the applicant or license holder. 2. Each person's percentage ownership interest and, if the business has a parent company, the name of each owner, board member, and officer of the parent company and the owner's, board member's, or officer's percentage ownership interest in the parent company and the marijuana business. <ol style="list-style-type: none"> a. All ownership interest identified in the capitalization table(s) must result in individual persons. b. Capitalization table(s) must equate to 100% ownership resulting in natural persons for all entities, and include all owners, even if they are publicly traded companies. c. Capitalization table(s) must reflect ownership of no less 	<ul style="list-style-type: none"> • Used the provided template. • Included all required information as listed in #1-2. • Capitalization table(s) provided equate to 100% ownership. • Capitalization table(s) result in natural persons for all entities holding ownership shares. • Capitalization table(s) reflect no less than 51% ownership from validated social equity applicants. 	<ul style="list-style-type: none"> • Did not meet format requirements and/or use the provided template. • Did not include all required information as listed in #1-2. • Capitalization table(s) provided did not equate to 100% ownership. • Capitalization table(s) provided did not result in natural persons for all entities holding ownership shares. • Capitalization table(s) reflect less than 51% ownership from validated social equity applicants. • Ownership interest listed on the capitalization table(s) results in prohibited license ownership, as defined in 4 <i>Del.C. §1331</i>.

	<p>than 51% from validated social equity applicants.</p> <p>d. The ownership interest listed on the capitalization table(s) may not be associated with any other application for any other license that would result in prohibited license ownership, as defined in 4 <i>Del.C. §1331</i>.</p>		
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For applications for Marijuana Cultivation Facility licenses and Marijuana Product Manufacturing Facility licenses ONLY:

Attachment 6 – Environmental and Sustainability Plan			
Application Requirement	Details	Criteria for Passing	Criteria for Failure
Environmental and Sustainability Plan	<p>Applicants must provide an environmental and sustainability plan that includes the following 4 elements:</p> <ol style="list-style-type: none"> 1. Efforts to minimize the environmental impact and resource needs of the Marijuana Establishment. 2. Plans to minimize water use. 3. Plans to minimize energy use. 4. Plans to employ organic cultivation methods (for 	<ul style="list-style-type: none"> • Uses the provided template. • Included the 4 elements listed. • Completed attestation for future requirements. 	<ul style="list-style-type: none"> • Did not meet format requirements and/or use the provided template. • Did not include the 4 elements listed. • Did not complete attestation for future requirements.

	<p>applications for a Marijuana Cultivation Facility).</p> <p>Applicants must also attest that, upon receiving a conditional license and as a requirement to receive a full license, they will submit additional environmental and sustainability plan details in accordance with requirements determined by the Commissioner.</p>		
Attachment 7 – Quality Assurance Plan			
Application Requirement	Details	Criteria for Passing	Criteria for Failure
Quality Assurance Plan	<p>Applicants must provide a quality assurance plan that includes the following 2 elements:</p> <ol style="list-style-type: none"> 1. A plan for product recalls. 2. A plan to adhere to good manufacturing practices. <p>Applicants must also attest that, upon receiving a conditional license and as a requirement to receive a full license, they will submit additional quality assurance plan details in accordance with requirements determined by the Commissioner.</p>	<ul style="list-style-type: none"> • Uses the provided template. • Included the 2 elements listed. 	<ul style="list-style-type: none"> • Did not meet format requirements and/or use the provided template. • Did not include the 2 elements listed.