

Florida Expands Medical-Cannabis Industry with New Rules

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Update: In an emergency rule issued February 3, 2023, the Florida Department of Health announced that it will begin accepting applications for the newly created 22 medical marijuana licenses between April 24–28, 2023.

The application window, or “batching cycles,” will afford investors and marijuana operators the chance to obtain one of these highly sought-after licenses within the State of Florida.

The long-awaited expansion of Florida’s medical cannabis industry appears to finally be in the works, with a potential major expansion of licenses on the horizon. Florida health regulators announced that the state is preparing to potentially double the number of licenses available for medical marijuana treatment centers (“MMTCs”) by allowing up to 22 additional licenses to operate. Application for licensure of MMTCs will also see considerable changes.

In a highly anticipated decision, the Florida Department of Health (the department tasked with regulating medical cannabis through the Office of Medical Marijuana Use) recently issued Emergency Rule 64ER22-9 (the “Order”) which will significantly alter application review and associated fees.

Rather than a single application round, the Order provides for a “batching cycle.” This will allow for the comparative review of multiple applications for a specified number of available MMTC licenses during a designated 5-day “application window” to be established by the Department.

The Department will also require a non-refundable application fee of \$146,000. The fee, which will be due each time an applicant applies, is more than double the previous \$60,830 application fee.

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Following calls by Governor DeSantis for MMTC license fees to better reflect the market value of these licenses, the Department also issued Emergency Rule 64ER22-10 which increases the costs of medical marijuana operators to renew their licenses. In Florida, MMTC operators are required to renew their licenses every two years.

The new renewal fee is based on a formula which includes the amount of money it costs the state to regulate the industry. According to documents released by the department, the new renewal fee will be \$1,223,124.42 for all license renewals due between January 1, 2023 – December 31, 2024.

If you have questions regarding or need assistance with applying for a MMTC license in Florida, please reach out to Tara Tedrow, Chair of our Cannabis & Controlled Substances Group, at tara.tedrow@lowndes-law.com.