

Missouri Supreme Court Upholds Cannabis Regulators in Cultivation License Dispute

In a landmark decision on Tuesday, the Missouri Supreme Court unanimously ruled that state marijuana regulators were well within their rights to deny a cultivation license to Mo Cann Do Inc. This ruling overturns a previous decision by the Missouri Court of Appeals Eastern District in February of 2023, marking a significant victory for regulatory authority in the state's burgeoning cannabis industry.

Mo Cann Do Inc. had applied for a commercial license to cultivate medical marijuana in 2019, but their application was rejected due to an incomplete filing. The company failed to include a certificate of good standing from the Missouri Secretary of State, a crucial requirement under state regulations. Despite this deficiency, Mo Cann Do argued that regulators were obligated to detail any missing information in their application through a notification letter before outright denial.

The legal battle ensued, with Mo Cann Do challenging the denial and more than 800 appeals following the initial awarding of medical marijuana facility licenses. Despite lower court rulings in favor of the state, the Missouri Court of Appeals Eastern District surprised many by siding with Mo Cann Do in February of the previous year. The appellate court mandated that the Missouri Department of Health and Senior Services and the Division of Cannabis Regulation grant the company a marijuana cultivation facility license.

However, the state promptly appealed this decision, leading to the case being escalated to the highest judicial authority in Missouri. In the decisive opinion authored by Judge W. Brent Powell, the Supreme Court ruled that Mo Cann Do's failure to submit a certificate of good standing rendered it ineligible for licensure under existing criteria.

Judge Powell emphasized the importance of enforcing public policy and protecting the public interest in regulating the cultivation and use of marijuana. He underscored the responsibility of regulatory bodies to ensure that entities entering the marijuana industry adhere to all laws and regulations, including the requirement for a certificate of good standing.

The Supreme Court's ruling not only affirmed the denial of Mo Cann Do's license but also set a precedent applicable to numerous other pending cases facing the Missouri Department of Health and Senior Services and the Division of Cannabis Regulation. This decision underscores the significance of regulatory compliance and adherence to established criteria in the evolving landscape of cannabis legalization and regulation.

With this ruling, the Missouri Supreme Court has provided clarity and reaffirmed the authority of state regulators in shaping the future of the state's cannabis industry. As Missouri continues to navigate the complexities of marijuana legalization, this decision serves as a guiding principle for maintaining integrity and accountability within the regulatory framework.