

218B.090 Cabinet action on business license application -- Denial -- Procedures upon approval -- Administrative hearing and judicial review -- Licensed cannabis business subject to local government regulation.

- (1) The cabinet shall:
 - (a) Acknowledge receipt of an application for a cannabis business license within fifteen (15) days of receipt;
 - (b) Provide notification to the cannabis business license applicant as to whether the application for a cannabis business license has been approved or denied within forty-five (45) days of receiving a completed application; and
 - (c) When reviewing and considering cannabis business applications, prioritize the review of applications submitted by an individual or entity who is an existing Kentucky hemp business in good standing with the Kentucky Department of Agriculture, if they meet the application requirements set forth in this chapter and administrative regulations promulgated by the cabinet thereunder.
- (2) The cabinet may deny an application for a cannabis business license for any reason that the cabinet, in the exercise of sound discretion, deems sufficient, including but not limited to:
 - (a) The applicant failed to submit the materials required by KRS 218B.085, including if the applicant's plans do not satisfy the security, oversight, or recordkeeping administrative regulations promulgated by the cabinet;
 - (b) The applicant falsifies information on the licensure application;
 - (c) The applicant would not be in compliance with local cannabis business prohibitions enacted pursuant to KRS 218B.130;
 - (d) One (1) or more of the prospective principal officers or board members:
 1. Has been convicted of a disqualifying felony offense, the provisions of KRS 335B.020 and 335B.030 notwithstanding;
 2. Has served as a principal officer or board member for a cannabis business that has had its license revoked;
 3. Is younger than twenty-one (21) years of age; or
 4. Is a medicinal cannabis practitioner; or
 - (e)
 1. For a safety compliance facility, one (1) or more of the prospective principal officers or board members is a principal officer or board member of a cultivator, processor, producer, or dispensary licensed to operate in Kentucky.
 2. For a cultivator, processor, producer, or dispensary, one (1) or more of the prospective principal officers or board members is a principal officer or board member of a safety compliance facility licensed to operate in Kentucky.
- (3) If a cannabis business license application is approved:
 - (a) The cannabis business shall, before it begins operations, submit its complete physical address and the global positioning system coordinates for any cultivation activities if a physical address or the global positioning system coordinates for any cultivation activities had not been finalized when it

applied; and

- (b) The cabinet shall:
 - 1. Issue a copy of the license that includes the business's identification number to the approved cannabis business;
 - 2. Provide a licensed dispensary with contact and access information for the electronic monitoring system established pursuant to KRS 218A.202; and
 - 3. Provide notice of licensure approval and issuance to the city and county in which the cannabis business intends to operate.
- (4) If a cannabis business license application is denied, the cabinet shall notify the applicant in writing of a license denial and reasons by registered or certified mail at the address given in the application or supplement. The applicant may, within thirty (30) days after the mailing of the cabinet's notice, file a written request for an administrative hearing on the application. The hearing shall be conducted on the application in compliance with the requirements of KRS Chapter 13B. Final orders of the cabinet after administrative hearings shall be subject to judicial review as provided in KRS 13B.140. Jurisdiction and venue for judicial review are vested in the Circuit Court of the county in which the applicant's business would be located.
- (5) Notwithstanding any provision of law to the contrary, a cannabis business licensed by the cabinet pursuant to this chapter shall be subject to and required to comply with:
 - (a) Any subsequent action that may be taken pursuant to KRS 218B.130(2)(a) by the local government within whose territory the cannabis business is licensed to operate if such action is taken prior to January 1, 2025, including but not limited to the prohibition of cannabis business operations within the territory of the local government; and
 - (b) Any local zoning ordinances and regulations that may be adopted pursuant to KRS 218B.130(2)(b) by the local government within whose territory the cannabis business is licensed to operate.

Effective: July 1, 2024

History: Amended 2024 Ky. Acts ch. 195, sec. 10, effective July 1, 2024. -- Created 2023 Ky. Acts ch. 146, sec. 17, effective July 1, 2024.

Legislative Research Commission Note (4/17/2024). The effective date of the creation of this statute in 2023 Ky. Acts ch. 146, sec. 17, was changed from January 1, 2025, to July 1, 2024, in 2024 Ky. Acts ch. 195, sec. 24.