GUIDANCE ON ESCROW FOR CESSATION OF OPERATIONS

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Introduction
Board Rule 1.4.5(b) requires a license applicant to submit documentation of a bond or escrow account to be held in case the cannabis establishment must cease operations. Rule 1.4.5(b) states that the amount will be determined by Board guidance.

The following are the escrow requirements in case of cessation of operations.

No Requirement
Any cannabis establishment that has an insurance escrow account pursuant to Board Rule 2.2.2(b) does not need to hold an additional escrow account for the cessation of operations requirement of Rule 1.4.5(b). Nor does any such cannabis establishment need to increase the amount in their insurance escrow account.

In addition, the following cannabis establishment licensees do not need a cessation of operations escrow account:

i. Tier 1 Cultivators
ii. Tier 1 Manufacturers
iii. Testing Laboratories

$2,500 Requirement
The following cannabis establishment licensees need to have a $2,500 cessation of operations escrow account:

iv. Tier 2 manufacturers
v. Tier 2 Cultivators
vi. Tier 3 Cultivators

$5,000 Requirement
The following cannabis establishment licensees need to have a $5,000 cessation of operations escrow account:

vii. Retailers
viii. Wholesalers
ix. Tier 3 Manufacturers
x. Tier 4 Cultivators
xi. Tier 5 Cultivators
xii. Tier 6 Cultivators
xiii. Integrated Licensees