Toolkit · Apply Worksheet Updated November 22, 2026

Impact Licensee Eligibility Worksheet

The impact licensee rules in the Cannabis Control Act, HB 30 and the CCA draft rules, each cited: the 51% ownership and control test, the residency prong, the six qualifying criteria, the Board's required preferences and fee waivers, impact lotteries and license shares, the five-year transfer limit, cooperative agreements, and the first-round microbusiness pathway.

Who needs it: Applicants seeking impact licensee status for any license type; Applicants for the first-round microbusiness licenses through the impact pathway.

Rule basis: Code of Virginia §§ 4.1-600, 4.1-604 8, 9, 36 and 37, 4.1-606 B 13, 14 and 18, C 1, 4.1-702 C, 4.1-1000 C and E; HB 30 enactments 12, 13, 16 and 21; draft rules 3VAC10-20-15 D, 3VAC10-30-20 D and E, 3VAC10-40-90 (proposed).

Citations starting **3VAC10** are the Cannabis Control Authority's draft proposed adult-use regulations dated September 9, 2026: **proposed, not final, may change**. Citations starting **§ 4.1** are the Code of Virginia as amended by HB 30, Chapter 1 (2026). The section "What other states required or scored" is reference only and is not Virginia law.

We report what the law says. Not legal advice; see the disclaimer.

Virginia law defines an impact license applicant as one at least 51% owned and directly controlled by people who meet a residency test and at least one of six criteria, requires the Board to give such applicants a licensing preference and other support, and limits transfers of impact licenses for five years. The Sept. 9, 2026 draft rules do not include the identification process the statute directs the Board to establish. Citations to 3VAC10 are to the CCA's draft regulations dated Sept. 9, 2026 (proposed, not final; they may change before adoption).

What Virginia requires

The definition (statute)

An impact license applicant is “an applicant that has at least 51 percent ownership and direct control by a person or persons who” meet both parts below (Code of Virginia § 4.1-606 B 13). An “impact licensee” is a licensee that meets those criteria (§ 4.1-600).

Part 1, residency. The person or persons:

- (a) resided between 1999 and 2025 in a jurisdiction that, using U.S. Census Bureau census tract data, is determined to have been disproportionately policed for marijuana crimes; or
- (b) resided for at least three of the past five years in a historically economically disadvantaged community (§ 4.1-606 B 13 (i)).

A “historically economically disadvantaged community” is (i) a jurisdiction identified by the Board using census tract data in which marijuana possession offenses were committed at a rate over 150% of the statewide average during 2009 to 2019, or (ii) a historically underutilized business zone as defined in 15 U.S.C. § 657a (§ 4.1-600).

Part 2, one or more of six criteria. The person or persons (§ 4.1-606 B 13 (ii)):

1. Have been convicted of or adjudicated delinquent for a violation of § 18.2-248.1, former § 18.2-250.1, or § 18.2-265.3 A as it relates to marijuana, or a substantially similar offense in another jurisdiction;
2. Are the parent, child, sibling or spouse of a person with such a conviction or adjudication;
3. Attended for at least five years a public elementary or secondary school in a historically economically disadvantaged community;
4. Received a Federal Pell Grant, or attended for at least two years a college or university where at least 30% of students, on average, are Pell-eligible;
5. Are veterans of the U.S. Armed Forces; or

6. Qualified for financial assistance or relief from the U.S. Department of Agriculture as a distressed farmer in the last five years.

What the Board must provide (statute)

- The Board must establish "a process by which to identify impact license applicants" (§ 4.1-606 B 13).
- For impact applicants, the Board must establish standards and requirements for (i) a preference in the licensing process; (ii) what percentage of application or license fees are waived for impact licensees unable to pay standard fees; (iii) grant or low-interest business loan programs; (iv) a waiver of any requirement to show proof of funds or current possession and control of the premises at application; and (v) to the extent practicable, proportional distribution of licenses among the applicant groups (§ 4.1-606 B 14).
- Applications, including renewals, include any information the Board needs to determine whether the applicant meets or continues to meet the § 4.1-606 B 13 criteria (§ 4.1-1000 C).
- The Board must allow impact licensees and microbusinesses to (i) enter into cooperative agreements; (ii) lease space and equipment and cultivate, process and sell on another licensee's premises; and (iii) process out of a shared processing space, with no more than one outdoor cultivation license per parcel or contiguous parcels under common ownership or control (§ 4.1-606 B 18).
- The Board establishes a Cannabis Impact Business Liaison and a Cannabis Impact Business Support Team, which provides business planning assistance to potential licensees among other duties (§ 4.1-604 8 and 9).
- The Board reports semi-annually on fees waived or reduced and on licenses issued to or renewed for persons identified in § 4.1-606 B 13 (§ 4.1-604 36), and maintains a public online registry of licensees searchable by license type and impact licensee designation (§ 4.1-604 37).

License numbers and lotteries (statute)

- If the Board limits the number of licenses of a type (other than retail stores), the number available to impact applicants must be equal to or greater than the number available to all other applicants; the same applies to any additional Tier V licenses the Board makes available beginning Jan. 1, 2028 (§ 4.1-606 C 1).
- If impact applicants seeking a license type outnumber the licenses made available to them, the CCA first holds an impact-only lottery; impact applicants not selected join the general pool for that license type (§ 4.1-1000 E).
- On or before May 1, 2027, the CCA may issue up to 100 microbusiness licenses to applicants that include impact license applicants under § 4.1-606 B 13, if they meet applicable licensing requirements and the CCA's "financial, security, and operational readiness criteria" (HB 30, 2026 Sp. Sess. I, c. 1, enactment 12).
- The CCA issues at least 55 additional licenses, distributed among impact licensees and other license types the Board determines, on or before July 1, 2027 (HB 30, enactment 16).
- A pharmaceutical processor exercising dual-use privileges participates in an impact licensee business accelerator plan for at least three years after verification (HB 30, enactment 13).
- From May 1, 2027 to May 1, 2028, the CCA deposits 75% of all marijuana establishment annual license fees into the Cannabis Equity Business Loan Fund (HB 30, enactment 21).

Fees (draft)

- A qualified impact licensee applicant may request that the Board reduce or waive application or license fees by submitting a fee waiver request at initial or renewal application; the CCA "may, in its discretion and on a case-by-case basis, approve the fee reduction or waiver" (3VAC10-20-15 D, draft).

Transfers (statute and draft)

- No impact licensee, or person holding a direct or indirect beneficial interest in it, may sell, assign or transfer a controlling interest of more than 49% to any person or entity for five years from the date the license is issued; the Board may except estate-plan transfers to a family member or a trust for the licensee's immediate family (§ 4.1-702 C; 3VAC10-30-20 D, draft).

- If an impact license was obtained through a fraudulent financial transaction or predatory operating agreement, or transferred in violation of § 4.1-702 C, the Board immediately begins revocation proceedings and requires the original impact licensee and any other true parties of interest to repay all waived application or licensing fees (§ 4.1-606 B 14).
- After five years, if more than 49% is transferred to a person or entity that does not qualify as an impact applicant, the Board may allow the change but may revoke impact license privileges, and the new holder pays any amount the transferor owed the Board (3VAC10-30-20 E, draft).

Cooperative and shared space (draft)

- Impact licensees and microbusinesses may request CCA approval to enter cooperative agreements, lease space and equipment and operate on another licensee's premises, and process out of a shared processing space (3VAC10-40-90 A, draft).
- No more than one outdoor cultivation license may be exercised on a parcel or contiguous parcels under common ownership or control (3VAC10-40-90 B, draft).
- Each licensee in shared space complies with all inventory tracking, recordkeeping and security requirements unless the Board authorizes otherwise (3VAC10-40-90 C, draft).

Records and forms the rules name

Ownership and control test (§ 4.1-606 B 13: at least 51% ownership and direct control by qualifying persons)

Owner	% ownership	Direct control role	Meets Part 1 (residency)	Meets Part 2 (one of six criteria)	Qualifying owner

Owner	% ownership	Direct control role	Meets Part 1 (residency)	Meets Part 2 (one of six criteria)	Qualifying owner
Total ownership held by qualifying owners					must be at least 51%

Part 1 residency, one per qualifying owner (§ 4.1-606 B 13 (i))

Prong	Jurisdiction or community	Years of residence
(a) Resided 1999 to 2025 in a jurisdiction determined to have been disproportionately policed for marijuana crimes		
(b) Resided at least three of the past five years in a historically economically disadvantaged community (§ 4.1-600)		

Part 2 criteria, one per qualifying owner (§ 4.1-606 B 13 (ii))

Criterion	Applies (Y/N)
1. Own marijuana conviction or adjudication under the listed sections	
2. Parent, child, sibling or spouse with such a conviction or adjudication	
3. Five years at a public K-12 school in a historically economically disadvantaged community	
4. Pell Grant recipient, or two years at a college with at least 30% Pell-eligible students	
5. U.S. Armed Forces veteran	

Criterion	Applies (Y/N)
6. USDA distressed-farmer assistance or relief in the last five years	

What the law does not say

- Neither the statute nor the Sept. 9, 2026 draft lists the jurisdictions determined to have been disproportionately policed, or the communities the Board identifies as historically economically disadvantaged under § 4.1-600 (i).
- The draft rules do not include the identification process, preference standards, fee waiver percentages or documentation requirements that § 4.1-606 B 13 and 14 direct the Board to establish.
- The definitions in § 4.1-600 do not define “direct control.”

What other states required or scored

Not required in Virginia. Shown so applicants can see what other regulators asked for.

Illinois (410 ILCS 705/15-30; IDFPR dispensary application)

- Illinois awarded 50 of 250 application points for “Status as a Social Equity Applicant” (410 ILCS 705/15-30(c)(5)).
- The 2019 application listed four routes: at least 51% owned and controlled by people who lived 5 of the preceding 10 years in a Disproportionately Impacted Area; by people with an offense made eligible for expungement by Public Act 101-0027; by family members of such a person; or an Illinois business with at least 10 full-time employees, 51% of whom meet one of those tests (IDFPR Application, item 11).

- Residency evidence for the Disproportionately Impacted Area route included tax filings, voter registrations, leases, mortgages, paycheck stubs, utility bills, insurance forms or school records naming the qualifying officers (IDFPR Application, Exhibit P item 2).
- For the employee route, evidence was filed for each employee and the applicant had a duty to report later changes in employee status (IDFPR Application, Exhibit P item 5).
- The application fee was $5,000, or $2,500 for a qualifying Social Equity Applicant (IDFPR Application, Instructions).
- Illinois ran a separate Social Equity Justice Involved Lottery for applications with at least 213 points that also received points as a qualifying justice-involved applicant (IDFPR, FAQs for QAL, SEJIL and TAL).

New Jersey (N.J.A.C. 17:30-6)

- New Jersey defines a social equity business as more than 50% owned by people who lived in an economically disadvantaged area for 5 of the 10 preceding years and whose household income is 80% or less of the State average median (N.J.A.C. 17:30-6.6(a)1).
- The alternative route is more than 50% ownership by people convicted of or adjudicated delinquent for at least two marijuana-related disorderly persons offenses or one marijuana-related indictable offense, expunged or not (N.J.A.C. 17:30-6.6(a)2).
- An impact zone business is located in an impact zone, is more than 50% owned by residents of three or more consecutive years, or attests that at least 25% of employees live in impact zones (N.J.A.C. 17:30-6.5(a)).
- A license issued on an impact zone employment plan may be suspended or revoked if the percentages are not met within 90 days of starting operations (N.J.A.C. 17:30-6.5(b)).
- A diversely owned business is one certified as minority-, woman- or disabled-veteran-owned by the Division of Revenue and Enterprise Services, and the certification is filed with the application (N.J.A.C. 17:30-6.4(a)-(b)).

New York (9 NYCRR Parts 116, 121)

- New York's social and economic equity status requires "sole control" by an individual from a community disproportionately impacted by cannabis enforcement, a minority-owned business, a women-owned business, a distressed farmer, or a service-disabled veteran owned business (9 NYCRR 121.1(a)(1)).
- Anyone contributing to sole control must hold at least a 1% equity share (9 NYCRR 121.1(a)(2)).
- The disproportionately impacted residency test is 5 of the first 18 years of life or 7 years in total, and breaks for incarceration, education, illness, foster care, custody matters or homelessness may be considered (9 NYCRR 121.1(d)(2)).
- Proof of ownership and sole control includes by-laws, board resolutions, stock and securities documents, quarterly payroll records, and comparisons of employee, executive and shareholder compensation (9 NYCRR 121.2(a)).
- Minority- and women-owned status may be shown by a state MWBE certification or a sworn declaration made under penalty of law (9 NYCRR 121.1(f)-(g)).
- For the Conditional Adult-Use Retail Dispensary (CAURD) round, a justice-involved individual had a New York marihuana-related conviction before March 31, 2021, or was the parent, guardian, child, spouse or dependent of someone who did (9 NYCRR 116.4(a)(2)(i)).
- That individual also held at least 10% ownership and control for at least two years in a "qualifying business," one with net profit in at least two years of operation (9 NYCRR 116.4(a)(2)(iii)).
- At least one eligible individual owned at least 30% of the CAURD applicant and held sole control (9 NYCRR 116.4(b)(2)).

Massachusetts (935 CMR 500)

- Massachusetts Social Equity Program eligibility includes income not above 400% of Area Median Income plus five of the preceding ten years' residency in an Area of Disproportionate Impact (935 CMR 500.105(17)(b)1.).
- Accepted residency proof includes a Massachusetts driver's or ID record, a lease, a deed, school, housing authority or banking records, utility bills, or dated government correspondence (935 CMR 500.105(17)(b)1.a.-h.).

- Other routes are 12 months' Massachusetts residency plus a M.G.L. c. 94C conviction or continuance without a finding, or being married to or the child of such a person (935 CMR 500.105(17)(b)2.-3.).
- The regulation states the program "is not a licensing program" and completion does not guarantee a license (935 CMR 500.105(17)(c)).
- An Economic Empowerment Priority Applicant met three of six criteria, at least one a majority-ownership criterion such as more than 50% ownership by people who lived 5 of 10 years in an Area of Disproportionate Impact (935 CMR 500.002, definitions).
- Marijuana Courier and Delivery Operator licenses are limited to businesses majority-owned and controlled by Economic Empowerment Priority Applicants or Social Equity Program Participants until April 1, 2029 (935 CMR 500.050(10)-(11)).

Maryland (COMAR 14.17)

- Maryland defines a social equity applicant as one with at least 65% ownership and control held by people who lived in a disproportionately impacted area for 5 of the preceding 10 years, attended public school there for at least 5 years, or attended for 2 years a Maryland four-year college where at least 40% of students are Pell-eligible (COMAR 14.17.01.01B(48)).
- A disproportionately impacted area is one with more than 150% of the State's 10-year average for cannabis possession charges (COMAR 14.17.01.01B(20)).
- The Administration may verify social equity status before the initial application, and supporting information is subject to verification as part of the application (COMAR 14.17.05.02G-H).

Sources checked 2026-11-22.

- 410 ILCS 705/15-30 (FindLaw mirror of Illinois Compiled Statutes)
- IDFPR, Conditional Adult Use Dispensing Organization License Application (rev. 10/11/19)
- IDFPR, FAQs for QAL, SEJIL and TAL
- NJ Cannabis Regulatory Commission, N.J.A.C. 17:30 Personal Use Cannabis Rules

- Office of Cannabis Management, Express Terms adopting Parts 118-125 and 131 (9 NYCRR)
- 9 NYCRR 116.4, License Eligibility and Evaluation (Cornell LII mirror)
- Cannabis Control Commission, 935 CMR 500.000 (effective 09-11-26)
- COMAR 14.17.01.01, Definitions
- COMAR 14.17.05.02, Application Requirements

Sources

- Code of Virginia § 4.1-600 (Definitions)
- Code of Virginia § 4.1-604 (Powers and duties of the Board)
- Code of Virginia § 4.1-606 (Regulations of the Board)
- Code of Virginia § 4.1-702 (Mandatory holding period for impact licenses)
- Code of Virginia § 4.1-1000 (Applications for licenses; lotteries)
- HB 30 (2026 Sp. Sess. I, c. 1), Item 4-14 enactment clauses (enactments 12, 13, 16, 21)
- CCA draft adult-use regulations, Sept. 9, 2026 (proposed, not final): 3VAC10-20-15, 3VAC10-30-20, 3VAC10-40-90

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