Toolkit · Apply Worksheet Updated November 22, 2026

Ownership and Control Disclosure Worksheet

The ownership, control and disclosure rules in the Cannabis Control Act and the CCA draft rules, each cited: the 5%, 10% and 25% thresholds, the material owner definition, license caps and cross-ownership bans, owner disqualifiers, background checks, agreements the Board reviews, change-of-control approval, impact license transfer limits, and ownership audits.

Who needs it: Marijuana establishment applicants and licensees; Owners, officers, directors, investors, lenders and management or brand-licensing counterparties of an applicant or licensee.

Rule basis: Code of Virginia §§ 4.1-600, 4.1-604 38 and 40, 4.1-606 B 17, 19 and 20, C 5, 4.1-702 B and C, 4.1-803 A, 4.1-806 F, 4.1-807, 4.1-810 B 1 and 2, 4.1-900 A 1 d and 7, 4.1-1000 J and L, 4.1-1602.1 E; draft rules 3VAC10-20-15 C, 3VAC10-30-10, -20, -100 A 2 d, -120, -130 A 5, -135 A 2, 3VAC10-60-20 1 (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.

The Cannabis Control Act requires every owner of a license applicant to be disclosed, tests 10% owners and officers against a list of disqualifiers, background-checks every officer, director and 5% principal, caps how many licenses one person may hold an interest in, and requires Board approval before ownership or control changes. The CCA's draft rules add a broader "material owner" definition and a five-year felony bar. 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

Thresholds

Threshold	What the source attaches to it	Cite
Any security or beneficial interest in a privately held entity	"Material owner"	3VAC10-30-10, draft
Voting rights to elect or appoint a director, or 5% or more of the securities, of a publicly traded entity	"Material owner"	3VAC10-30-10, draft

Threshold	What the source attaches to it	Cite
5% or more of the pecuniary interest or voting power, alone or with immediate family, or managing operations on behalf of a licensee	"Principal"	§ 4.1-600
Every individual applicant, officer, director and principal	Fingerprint-based (or qualifying third-party) background investigation	§ 4.1-1000 J
A new owner whose share is 5.0% or more of total ownership after licensing	Fingerprinting and criminal history search	3VAC10-30-20 C 3, draft
10% or more of ownership, voting power or economic value, or being an investor, partner, member, officer, director or manager	An "interest" for the license caps	§ 4.1-807 A
10% or more shareholder, LLC member, or limited partner with voting rights; any general partner, officer, director or member-manager	Tested against the § 4.1-810 B 1 disqualifiers	§ 4.1-810 B 1
Passive investment under 10% equity	Board regulations must presume it permissible unless the Board determines it results in undue influence	§ 4.1-606 B 19
25% or more of equity or voting power; any instrument conferring appointment or removal rights over managers; cumulative transfers of 25% or more within 24 months	A change of control under the Board's required regulations	§ 4.1-606 B 20

Disclosure (statute and draft)

- The Board must refuse a license if the applicant "is not the legitimate owner of the business proposed to be licensed, or other persons have ownership interests in the business that have not been disclosed" (Code of Virginia § 4.1-810 B 1 d); the same is a ground to suspend or revoke a license (§ 4.1-900 A 1 d).
- The Board's regulations on ownership disclosure must "require that ownership interests be traced through all intermediary entities to the ultimate beneficial owners" (§ 4.1-606 B 20).
- Licensees file and maintain with the Board a current, accurate record of required information and notify the Board of changes (§ 4.1-1000 L).
- A license issues only with "the name and address of the marijuana establishment's material owners" (3VAC10-30-130 A 5, draft); hemp retail registrations require the same for material owners (3VAC10-30-135 A 2, draft).
- Criteria in the notice of open applications include "the extent to which the applicant or any of the applicant's owners have a financial interest in another license, permit, registrant, or applicant" (3VAC10-30-100 A 2 d, draft).
- An elected or appointed official who applies states the official position held; a business in which such an official has an economic interest states that official's full economic interests (§ 4.1-810 B 2).
- Board members or employees, and businesses in which they hold any economic interest, may not be licensed (§ 4.1-810 B 2).

Owner disqualifiers (statute)

The Board must refuse a license if the applicant, or a general partner, voting limited partner of 10% or more, officer, director, 10% shareholder, member-manager or 10% LLC member (§ 4.1-810 B 1):

- Is not 21 or older (a);
- Has been convicted of a felony (other than a felony violation of § 18.2-248.1) or a crime involving moral turpitude within seven years of the application date, or has not completed all terms of sentencing and probation (b);
- Knowingly employs or allows to volunteer someone younger than 21 (c);
- Is not the legitimate owner, or there are undisclosed owners (d);
- Has not demonstrated financial responsibility sufficient for the business (e);
- Has misrepresented a material fact in applying (f);
- Has defrauded or attempted to defraud the Board or any government agency through a false report, document or tax return, or false business records (g);
- Is violating or allowing violation of the subtitle at the establishment while the application is pending (h);
- Is a State Police, police department or sheriff's office employee responsible for enforcing penal, traffic or motor vehicle laws (i);
- Has been sanctioned by the Board for a violation under Chapter 16 (j);
- Is physically unable to carry on the business or has been adjudicated incapacitated (k); or
- Is 90 days or more delinquent on local taxes where the premises is located, unless de minimis, under bona fide appeal, or on an approved payment plan (l).

In considering criminal history, subject to § 4.1-810 B 1 b, the Board "shall not disqualify an applicant because of a past conviction for a marijuana-related offense" (§ 4.1-1000 J).

Owner disqualifier (draft)

- "No person who has been convicted of a felony under the Code of Virginia or another jurisdiction within the last five years shall be a material owner of, be employed by, or act as an agent of a marijuana establishment" (3VAC10-30-120 A, draft).
- Preliminary approval may be revoked if the selected applicant is in violation of § 4.1-810 B or § 4.1-1602 K based on background checks of its material owners (3VAC10-30-120 C 4, draft).

License caps and cross-ownership bans (statute)

- No person may be granted or hold an interest in more than five total licenses, not including transporter licenses, or more than one Tier V cultivation license (§ 4.1-807 B (i)).
- No person with an interest in a cultivation, processing, transporter, delivery, retail or microbusiness license may hold an interest in a testing facility license (§ 4.1-807 B (ii)); a person with an interest in a testing facility license may not have any interest in a cultivation, processing, transporter, retail or microbusiness license (§ 4.1-806 F).
- No person with an interest in a microbusiness license may hold an interest in any other marijuana establishment (§ 4.1-807 B (iii)); a microbusiness licensee may not hold or control any other license (§ 4.1-803 A).

- No person with an interest in a pharmaceutical processor permit may hold an interest in any other marijuana establishment license except its cannabis dispensing facility permits (§ 4.1-807 B (iv); § 4.1-1602.1 E). Persons that as of July 1, 2026 owned and controlled processor permits in more than one health service area are not barred while they continuously hold them (§ 4.1-807 C).
- The Board must set restrictions on the number of licenses a person may be granted in a single locality or region (§ 4.1-606 B 17) and may set market-concentration thresholds, including regional or statewide market share and Herfindahl-Hirschman Index benchmarks (§ 4.1-606 C 5).
- The draft extends testing facility independence to any direct or indirect financial interest in a pharmacist, certifying practitioner, marijuana establishment, industrial hemp grower or processor, hemp retail facility, or other entity that may benefit (3VAC10-60-20 1, draft).

Agreements the Board reviews (statute)

- The Board must establish an approval process to approve or deny ownership, financing, management and brand-licensing agreements to ensure compliance with § 4.1-807, and an investigation process for whether a financial arrangement is commercially reasonable or constitutes undue influence, considering "price-setting authority, shelf-space control, financing dependency, or shared personnel" (§ 4.1-606 B 19).
- Those regulations must presume permissible (i) passive investments under 10% equity unless the Board finds undue influence and (ii) management services or brand licensing agreements that do not give actual or contractual rights to control management or operations, and must state that such investments and agreements do not constitute undue influence or make anyone a principal (§ 4.1-606 B 19).
- The Board investigates the ownership and control interests of all licensees, including management and brand-licensing agreements (§ 4.1-604 40).
- The Board develops policies for audits of ownership and financial relationships across all licenses, "conducted by an independent certified public accountant" with "the costs of such audits … borne by the licensee" (§ 4.1-604 38).

Changes of ownership or control (statute and draft)

- No license may be assigned, sold or transferred, and no change in ownership or control made, without the Board's prior written approval; an unapproved change "is void and shall constitute grounds for immediate suspension or revocation of all affected licenses" (§ 4.1-702 B; also 3VAC10-30-20 B, draft). An unapproved transfer is also a ground to suspend or revoke (§ 4.1-900 A 7).
- Before any change in ownership, the licensee requests approval as the Board prescribes and pays the fees (3VAC10-30-20 C, draft): $200 for an ownership change not requiring a background check and $500 for one requiring a background check (3VAC10-20-15 C 3 and 4, draft).
- On a change of ownership, dispensing or sales records for the prior two years go to the new owners on the date of change, and the previous owner is responsible for the lawful transfer of records (3VAC10-30-20 C 1 and 2, draft).

Impact licenses (statute and draft)

- No impact licensee, or person with a direct or indirect beneficial interest in it, may sell, assign or transfer a controlling interest of more than 49% for five years from issuance; the Board may provide an exception for 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).

- After five years, a transfer of more than 49% to a non-impact transferee may be allowed, but impact privileges may be revoked and the new holder pays any amounts owed by the transferor (3VAC10-30-20 E, 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 begins revocation and requires repayment of all waived fees by the original licensee and any other true parties of interest (§ 4.1-606 B 14).

Records and forms the rules name

Ownership table (each column maps to a threshold above: § 4.1-600 principal, § 4.1-807 A interest, § 4.1-810 B 1 owner test, 3VAC10-30-10 material owner, § 4.1-606 B 20 tracing)

Owner (person or entity)	Held directly or through which entity	Ultimate beneficial owner(s)	% equity or pecuniary interest	% voting power	% economic value	Officer, director, manager or other role	Material owner (draft)	Principal (5%)	Interest (10%)	§ 4.1-810 B 1 test applies

Disqualifier screen, one per person subject to § 4.1-810 B 1

Item	§ 4.1-810 B 1	Yes / No
21 or older	a	
Felony (other than § 18.2-248.1) or moral turpitude conviction within seven years, or sentence or probation incomplete	b	
Knowingly employs or allows under-21 volunteers	c	
Legitimate owner; all owners disclosed	d	
Financial responsibility demonstrated	e	
Material misrepresentation	f	
Fraud or attempted fraud on a government agency	g	
Violating the subtitle at the establishment while application pending	h	
Law-enforcement employee as described	i	
Sanctioned by the Board under Chapter 16	j	
Physically unable or adjudicated incapacitated	k	
Local tax delinquency of 90 days or more (with listed exceptions)	l	

Item	§ 4.1-810 B 1	Yes / No
Felony within five years (draft material owner bar)	3VAC10-30-120 A, draft	

License count, one per person with an interest (§ 4.1-807)

License held or applied for	Type	Counts toward five (transporter excluded)	Tier V

Agreements subject to Board review (§ 4.1-606 B 19)

Agreement type (ownership, financing, management, brand-licensing)	Counterparty	Price-setting authority	Shelf-space control	Financing dependency	Shared personnel	Control rights

What the law does not say

- The draft "material owner" definition for privately held entities ("the ownership of any security or beneficial interest") has no percentage floor; the statute's disqualifier test in § 4.1-810 B 1 applies at 10%. The draft does not state how the two relate.
- The Sept. 9, 2026 draft does not include the approval process for ownership, financing, management and brand-licensing agreements that § 4.1-606 B 19 directs, or the change-of-control definition in § 4.1-606 B 20.
- The draft does not include a disclosure form.

What other states required or scored

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

Massachusetts (935 CMR 500)

- Massachusetts defines a "Person or Entity Having Direct Control" to include an owner, anyone with a voting interest of 20% or more or "a right to veto significant events," a close associate, and anyone entitled to 20% or more of profits or dividends (935 CMR 500.002, definitions).
- Indirect control includes anyone with direct control over a holding or parent company, the chief executive officer and executive director of those companies, and anyone positioned to control decision-making indirectly (935 CMR 500.002, definitions).
- Applicants list all persons with direct or indirect control and submit any contract or document that "explicitly or implicitly conveys" control (935 CMR 500.101(1)(a)1.).

- Each capital contributor is disclosed with amount and source, a bank record dated within 60 days, a lawful-funds certification, and any loan agreement (935 CMR 500.101(1)(a)4.).
- No person with direct or indirect control may hold more than six retailer licenses or more than three cultivator or product manufacturer licenses (935 CMR 500.050(1)(b)1.).

New York (9 NYCRR Parts 118, 120)

- New York's "true party of interest" includes officers, managers, board members, stockholders, each level of a multilevel ownership structure, holders of a financial interest, anyone assuming the applicant's debts, and spouses of listed individuals (9 NYCRR 118.1(a)(105)(i)).
- It also includes anyone receiving payments in a year above the greater of 10% of gross revenue, 50% of net profit, or $250,000 under a risk-sharing or goods and services agreement (9 NYCRR 118.1(a)(105)(i)(d)).
- Fixed-rent landlords and employees with sales commissions up to 10% are excluded, though the Office "may investigate a landlord" where rent was waived or deferred (9 NYCRR 118.1(a)(105)(ii)).
- Applicants file capitalization tables listing holders above 10% (private) or 5% (publicly traded), "any person with any future rights to ownership or revenue," and total undisclosed shares (9 NYCRR 120.2(a)(2)(vii)).
- All proposed or executed contracts, term sheets and side letters with goods and services providers are disclosed, with listed exemptions (9 NYCRR 120.2(a)(2)(vi)).
- Applicants describe cannabis licenses held in other jurisdictions, grant permission to contact those regulators, and supply records of any denial, suspension or sanction (9 NYCRR 120.2(a)(2)(xii)).

Ohio (OAC 1301:18-3)

- Ohio requires an ownership list and capitalization table identifying every person with a 10% or greater ownership interest, plus an organizational chart of all owners, officers and board members (OAC 1301:18-3-04(A)(1)-(2)).
- For each owner, officer and board member: legal name, address, date of birth showing age 21 or older, proposed role, and interests in other cannabis entities (OAC 1301:18-3-04(A)(3)).
- Option agreements, debt conversions and other agreements creating a current or future right in equity are listed "regardless of whether they meet the definition of ownership" (OAC 1301:18-3-04(A)(7)).
- Pending or executed merger, sale, option, letter of intent, consulting, management and similar agreements are filed (OAC 1301:18-3-04(A)(8)).
- At least 30 days before issuance or renewal of a certificate of operation, the licensee re-reviews the disclosures and files a certification by an independent licensed auditor or CPA (OAC 1301:18-3-04(B)).

Maryland (COMAR 14.17.16)

- Maryland requires anyone with any ownership interest or control in a licensee to be 21 or older, with a limited exception for trust beneficiaries (COMAR 14.17.16.01A-B).
- A table of organization, ownership and control is filed by July 1 each year, within 10 business days of any ownership change greater than 5%, and on request (COMAR 14.17.16.02A).
- The table names holders of more than 5% of voting shares and, to the extent known, relatives who together own or control more than 10% (COMAR 14.17.16.02C).

- A licensee owned by another entity discloses the parent relationship and each owner, board member, officer and controlling individual of that entity (COMAR 14.17.16.02D).

Illinois (IDFPR dispensary application)

- Illinois's Exhibit C Table of Organization, Ownership and Control identified every principal officer and entity that manages, owns or controls the license holder, each person's office and ownership percentage, and each parent company "for each level of ownership" (IDFPR Application, Exhibit C(a)).
- For publicly traded entities, holders of more than 5% of voting shares and related persons together holding more than 10% were listed (IDFPR Application, Exhibit C(b)).
- Formation documents were attached by entity type, and partnerships without a written agreement filed a statement signed by all partners (IDFPR Application, Exhibit C(c)-(f)).

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

- New Jersey requires organizational charts identifying owners, principals, management services contractors, managers, and all parent companies, subsidiaries, affiliates, predecessors and successors (N.J.A.C. 17:30-7.10(d)1).
- Applicants list all owners, passive investors, principals and managers with names, addresses, dates of birth and ownership percentages, with photo ID showing each owner and principal is at least 21 (N.J.A.C. 17:30-7.10(d)2-3).

Sources checked 2026-11-22.

- Cannabis Control Commission, 935 CMR 500.000 (effective 09-11-26)
- Office of Cannabis Management, Express Terms adopting Parts 118-125 and 131 (9 NYCRR)
- OAC 1301:18-3-04, Disclosure of Ownership, Financial Interest, and Control
- COMAR 14.17.16.01, Conditions of Ownership and Control
- COMAR 14.17.16.02, Disclosure of Ownership and Control
- IDFPR, Conditional Adult Use Dispensing Organization License Application (rev. 10/11/19)
- NJ Cannabis Regulatory Commission, N.J.A.C. 17:30 Personal Use Cannabis Rules

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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 (Transfer of license; impact license holding period)
- Code of Virginia § 4.1-803 (Microbusiness license)
- Code of Virginia § 4.1-806 (Marijuana testing facility license)
- Code of Virginia § 4.1-807 (Multiple licenses awarded to one person; limitations)
- Code of Virginia § 4.1-810 (Conditions under which the Board shall or may refuse to grant licenses)
- Code of Virginia § 4.1-900 (Grounds for which Board may suspend or revoke licenses)
- Code of Virginia § 4.1-1000 (Applications for licenses; background checks)
- Code of Virginia § 4.1-1602.1 (Dual-use privileges)

- Code of Virginia § 4.1-1602 (Permit to operate pharmaceutical processor)
- CCA draft adult-use regulations, Sept. 9, 2026 (proposed, not final): 3VAC10-20-15, 3VAC10-30, 3VAC10-60-20

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