

How to Get a Grant to Open a Dispensary in Colorado

Dispensary / By Dr. Diana Rangaves



The marijuana industry is booming in the US, largely thanks to increased legalization in recent years. As of October 2022, 19 states and the District of Columbia have [fully legalized cannabis](#). Medical marijuana is legal in 18 states.

The high demand for marijuana products would make it seem like getting the funding to open a lucrative business would be pretty easy. However, cannabis is not recreationally nor medically legal at the federal level. That means you have to find funding from non-federal sources if you want to open a dispensary.

A pioneer in the cannabis industry, Colorado was the first US state to legalize weed recreationally in 2012. Nine years later, the state of Colorado created an official Cannabis Business Office in July 2021. This office supports cannabis business owners, particularly those in economically disadvantaged areas or with past marijuana-related arrests or convictions.

The office launched the Cannabis Business Grant in early 2022 and is now open for its second round of applications. This is excellent news for people who want to open a marijuana dispensary or improve

their current dispensary in Colorado.

The Cannabis Business Grant

If you're looking to open a dispensary in Colorado and need some funds to get you started, the first step is applying for the newly launched and quite generous [Cannabis Business Grant](#). The Cannabis Business Office designed this grant program as an equal opportunity support system for cannabis entrepreneurs. It funds social equity cannabis businesses.

Before applying for the grant, you must have a regulated business license from Marijuana Enforcement Division or be in the process of applying for one. The grant becomes available several times a year. Its current upcoming deadline is November 17, 2022.

Eligibility for the Cannabis Business Grant

To be eligible for the Cannabis Business Grant, 51% of the business must have a Social Equity License and maintain that status for two years after receiving the funds.

The Colorado Marijuana Enforcement Division offers a regulated business license and the local licensing authority where your business will operate is required when applying for this grant. All applicants must be in Good Standing with the Colorado Secretary of State.

Grant Categories

The grant has two need-based categories: foundational and growth. Regardless of the category in which you apply, your business has to meet two out of three eligibility requirements within its category.

For the foundational grant, your business must meet two out of three of the following requirements: have between one and five employees, an operation time of under one year, and have yearly revenue of under \$500,000.

For the growth grant, your business must meet two out of three of the following requirements: have between six and fifteen employees, an operation time of over one year, and have yearly revenue of between \$500,000 and \$3,000,000.

Finally, dispensaries hoping to receive the grant cannot reapply in the same category if they have previously been awarded the grant. However, they are welcome to apply in the other category.

How Much Is the Grant?

The grant amount awarded depends on the grant category. Foundational grant recipients can receive

up to \$25,000. Growth grant recipients can receive up to \$50,000.

The Cannabis Business Office will award an estimated 20 Foundation grants and 10 Growth grants in the next grant round. These numbers may shift depending on the quality and amount of eligible applications received.

To receive the award, you must be able to match the award amount at a designated percentage with money set aside in the applicant's account. The Foundational grant requires applicants to match 10 percent of the grant award. For the Growth grant, the match amount is 30 percent.

How Are Grant Recipients Chosen?

Such a generous grant is no doubt competitive. A formal committee chooses grant recipients by reviewing applicants' eligibility and project proposals, which are scored based on a [defined rubric](#). The higher an applicant's score, the better their chance of receiving the grant.

Project proposals should define how they will use the grant funds by outlining estimated costs, project overviews, how their business will benefit from the grant, and how their business will benefit the community.

Project Proposal Categories

Applicants must apply in one of five project proposal categories to more specifically define how their business would use the Cannabis Business Grant.

Brick-and-mortar regulatory requirements

This category includes cannabis businesses looking to fund things like security system installations and upgrades, facility improvements, and HVAC installation or upgrades.

Technical and expert requirements

This category is for cannabis businesses with the need for consulting for technical advancements and attorneys for legal needs, such as contracts and operational agreements.

Licensing and regulatory fees

Cannabis businesses needing funds for things like regulatory requirements, licensing fees, and insurance should apply in this proposal category.

Operational needs

This category is for cannabis businesses needing funds for operational costs, such as hiring additional personnel for operation expansion and buying equipment to increase production and output.

Innovation

Cannabis businesses needing funds for innovation related to social equity causes or other innovative offerings or services should apply in this proposal category.

How to Apply for the Cannabis Business Grant

Applicants will need to create an account in the [OEDIT application portal](#). Activating your account can take up to 48 hours. Once you have successfully opened your account, you'll need to find the Cannabis Business Office section of the portal.

First, you'll need to complete a pre-application to determine your eligibility. Upon approval, you'll move on to the official application. Make sure to read the [Project Proposal Scoring Rubric](#), so your application contains all the necessary information. If information is missing, the office will contact you.

The office will inform all of whether or not they will receive the grant funding and the award amount.

Conclusion

If you are looking to open a cannabis dispensary in Colorado, check out the Cannabis Business Grant to see if you qualify. This funding could be exactly what you need to get your dispensary started.

For those interested in what it's like to open a cannabis dispensary in Colorado, send us your questions here at [Cannasseur Pueblo West](#). We would love to give you an insider's look into what you'll need to start the process

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