

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 3796:2-1-06

Rule Type: Amendment

Rule Title/Tagline: Cultivator certificate of operation.

Agency Name: Medical Marijuana Control Program

Division: Medical Marijuana Cultivators

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I. Rule Summary

1. Is this a five year rule review? No
 - A. What is the rule's five year review date? 5/6/2022
2. Is this rule the result of recent legislation? No
3. What statute is this rule being promulgated under? 119.03
4. What statute(s) grant rule writing authority? 3796.03
5. What statute(s) does the rule implement or amplify? 3796.03, 3796.09
6. What are the reasons for proposing the rule?

The purpose of this rule is to outline requirements for a medical marijuana cultivation facility to obtain a certificate of operation.

7. Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.

The rule provides that provisional licensees are prohibited from performing any cultivation practices prior to receiving the certificate of operation, provides the requirements for receiving the certificate of operation, permits medical marijuana

produced from a licensed cultivator to be sold to a laboratory for research and clinical purposes, and requires the licensee to display documents, including the certificate of operation and certificate of occupancy. The amendment clarifies that cultivation facilities are not eligible for the agricultural exemption from Ohio's building code.

- 8. Does the rule incorporate material by reference? No**
- 9. If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.71 to 121.76, please explain the basis for the exemption and how an individual can find the referenced material.**

Not Applicable

- 10. If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.**

Not Applicable

II. Fiscal Analysis

- 11. As a result of this proposed rule, please estimate the increase / decrease in revenues or expenditures affecting this agency, or the state generally, in the current biennium or future years. If the proposed rule is likely to have a different fiscal effect in future years, please describe the expected difference and operation.**

This will have no impact on revenues or expenditures.

\$0

Not applicable.

- 12. What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?**

Compliance with building and fire codes also impact businesses through specific compliance costs including fire suppression and building inspections. While difficult to quantify due to differences in building layout and offsets from reduced insurance and other expenses, code compliance can potentially add several thousand dollars to construction costs. The certificate of occupancy requirement is already required to receive the certificate of operation and does not change the costs associated with the underlying rule.

- 13. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No
- 14. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No

III. Common Sense Initiative (CSI) Questions

- 15. Was this rule filed with the Common Sense Initiative Office? Yes
- 16. Does this rule have an adverse impact on business? No

- A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? Yes

The rule requires provisional licensees to obtain a certificate of operation in order to operate. The proposed amendment does not create additional license requirements.

- B. Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? No

- C. Does this rule require specific expenditures or the report of information as a condition of compliance? Yes

This rule outlines the requirements associated with obtaining a certificate of operation. Obtaining a certificate of operation requires provisional licenses to meet a set of comprehensive requirements found in other regulations and its applications, which can require reporting information for compliance purposes.