

Rule Summary and Fiscal Analysis (Part A)**Medical Marijuana Control Program**

Agency Name

Medical Marijuana Cultivators

Division

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3796:2-1-10

Rule Number

NEW

TYPE of rule filing

Rule Title/Tag Line

Cultivator certificate of operation renewal.**RULE SUMMARY**1. Is the rule being filed for five year review (FYR)? **No**2. Are you proposing this rule as a result of recent legislation? **Yes**Bill Number: **HB523**General Assembly: **131**Sponsor: **Huffman, S.**3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **119.03**4. Statute(s) authorizing agency to adopt the rule: **R.C. 3796.03**5. Statute(s) the rule, as filed, amplifies or implements: **R.C. 3796.03, R.C. 3796.09**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

Department of Commerce must promulgate rules for the Medical Marijuana Control Program pursuant to ORC 3796.

7. If the rule is an AMENDMENT, then summarize the changes and the content of the proposed rule; If the rule type is RESCISSION, NEW or NO CHANGE,

then summarize the content of the rule:

3796:2-1-10 covers the renewal of a cultivator's certificate of operation and the process to renew, which includes a \$200,000 renewal fee for Level I cultivators and \$20,000 renewal fee for Level II cultivators. Fee amounts are established in 3796:5-1. A failure to renew 30 days past renewal date will result in the certificate being revoked.

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.

10. If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

Not Applicable.

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so. If applicable, indicate each specific paragraph of the rule that has been modified:

RSFA question #5 was updated to designate a more specific statute that the rule amplifies.

12. Five Year Review (FYR) Date:

(If the rule is not exempt and you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this

rule is the filing date.)

NOTE: If the rule is not exempt at the time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

FISCAL ANALYSIS

13. Estimate the total amount by which *this proposed rule* would **increase/decrease** either **revenues/ expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will increase revenues.

unknown

Each renewal of a level I cultivator certificate of operation will require payment of a \$200,000 fee. Each renewal of a level II cultivator certificate of operation will require a \$20,000 fee. It is not possible to estimate the number of certificates of operation that will be renewed, as the industry is new to Ohio. The maximum number of renewals of each level is 12 (24 total).

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

n/a

15. Provide a summary of the estimated cost of compliance with the rule to all directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

Each level I cultivator will pay a renewal fee of \$200,000. Each level II cultivator will pay a renewal fee of \$20,000.

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **No**

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**

S.B. 2 (129th General Assembly) Questions

18. Has this rule been filed with the Common Sense Initiative Office pursuant to R.C. 121.82? **Yes**

19. Specific to this rule, answer the following:

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

A license will be required to operate as a medical marijuana entity in the state of Ohio.

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? **Yes**

If the licensee fails to renew the license and pay the associated fee, before expiration of the current certificate, the license will be suspended for a maximum of 30 days. If the license is not renewed within that 30 day period, it will be deemed to be expired.

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

This rule requires that each level I cultivator pay a renewal fee of \$200,000 and that each level II cultivator pay a renewal fee of \$20,000.