

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 3796:3-2-03

Rule Type: Amendment

Rule Title/Tagline: Processor waste disposal.

Agency Name: Medical Marijuana Control Program

Division: Processors

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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
6. **What are the reasons for proposing the rule?**

The reason for proposing this rule is to remove language that is burdensome to licensees and to ensure the licensees remain the appropriate authority for disposing medical marijuana waste.

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

The rule outlines requirements for disposing of medical marijuana waste material. The proposed amendment removes an option that could have required the Department

to take possession of and destroy medical marijuana waste material. The proposed amendments also remove the requirement that only Type 1 Key Employees can dispose of product.

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?**

The requirements around the destruction of plant material are very specific and require the licensee to expend time to ensure the destruction is carried out according to rule, including being in view of surveillance cameras and being properly recorded in the seed-to-sale inventory tracking system. This can cost thousands of dollars for the licensee to implement security requirements, waste disposal, and training in seed-to-sale inventory tracking. The proposed amendment should decrease the costs associated with the underlying rule for licensees.

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

In order to operate as a medical marijuana facility, you must obtain a license. 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? Yes

Yes, failure to properly dispose of waste could range from fines to suspension of a license. The proposed amendment does not establish any additional penalties or sanctions beyond what is already enacted in the rule.

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

All activity associated with medical marijuana, including disposal of the materials, require reporting in a seed-to-sale inventory system.