

## Rule Summary and Fiscal Analysis

### Part A - General Questions

**Rule Number:** 3796:5-1-01  
**Rule Type:** Amendment  
**Rule Title/Tagline:** Fee schedules.  
**Agency Name:** Medical Marijuana Control Program  
**Division:** General Provisions  
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#### I. Rule Summary

1. **Is this a five year rule review?** Yes
  - A. **What is the rule's five year review date?** 3/22/2024
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. **Does the rule implement a federal law or rule in a manner that is more stringent or burdensome than the federal law or regulation requires?** No
  - A. **If so, what is the citation to the federal law or rule?** Not Applicable
7. **What are the reasons for proposing the rule?**

The DCC proposes to reduce the medical marijuana processor renewal fee
8. **Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

This rule establishes the application, licensing, renewal, advertising approval

request, and change of ownership or location fees for medical marijuana cultivators, processors, and testing laboratories, as well as the application and renewal fees for employee identification cards.

The Division of Cannabis Control (DCC) is proposing to reduce the processor renewal fee by half from \$100,000 annually to \$50,000 annually.

9. **Does the rule incorporate material by reference?** No
10. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75, please explain the basis for the exemption and how an individual can find the referenced material.**

*Not Applicable*

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

The Division of Cannabis Control (DCC) is proposing to reduce the processor renewal fee by half from \$100,000 annually to \$50,000 annually.

## **II. Fiscal Analysis**

12. **Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.**

This will decrease revenues.

\$2.3 Million

There are 46 licensed medical marijuana processors (45 operational, 1 provisional). Reducing the fee in half (from \$100,000 to \$50,000 annually per licensee) will reduce license renewal fees paid by processors from \$4.6 million annually to \$2.3 million annually.

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

Processor renewal fees are currently \$100,000 and are proposed to be reduced to \$50,000 annually.

Level I Cultivator renewal fees are \$200,000.

Level II Cultivator renewal fees are \$20,000.

Testing Lab renewal fees are \$20,000.

Employee identification cards are \$100 biannually.  
Change of ownership or location application is \$1,000.  
Plant only processor license is \$5,000 annually for a Level I Cultivator and \$500 for a Level II cultivator.  
Advertising application is \$100

14. **Does the rule increase local government costs? (If yes, you must complete an RSFA Part B).** No
15. **Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C).** No
16. **If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.**

Application and licensing fees cover the cost of administering the program.  
Application fees help to cover the cost incurred by the Division to review applications. Licensing fees cover the costs incurred by the Division to license and regulate the license holders.

### **III. Common Sense Initiative (CSI) Questions**

17. **Was this rule filed with the Common Sense Initiative Office?** Yes
18. **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?** No
  - 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?** No
  - D. **Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business of which it will apply or applies?** No

**IV. Regulatory Restriction Requirements under S.B. 9. Note: This section only applies to agencies described in R.C. 121.95(A).**

**19. Are you adding a new or removing an existing regulatory restriction as defined in R.C. 121.95? No**

**A. How many new regulatory restrictions do you propose adding to this rule?**

Not Applicable

**B. How many existing regulatory restrictions do you propose removing from this rule?**

Not Applicable

**C. If you are not removing existing regulatory restrictions from this rule, please list the rule number(s) from which you are removing restrictions.**

Not Applicable

**D. Please justify the adoption of the new regulatory restriction(s).**

Not Applicable