

**FISCAL NOTE
PRIVATE COST**

- I. Department Title: Department of Health and Senior Services
Division Title: Division Cannabis Regulation
Chapter Title: Marijuana**

Rule Number and Title:	19 CSR 100-1.060 Facility Application and Selection
Type of Rulemaking:	Proposed

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the rule:	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
213	Dispensaries	\$426,000
67	Cultivators	\$134,000
87	Manufacturing	\$174,000
10	Warehouses	\$50,000
48-144	Microbusinesses	\$72,000 in first year and \$360,000 for two additional years in total
Total =		\$856,000 for the first year and \$144,000 in total for years two and three

III. WORKSHEET

Dispensary Facility

Two hundred and thirteen (213) dispensary facilities x two thousand (2,000) dollars for comprehensive change request application fee in year one = \$426,000.

Cultivation Facility

Sixty-seven (67) cultivation facilities x two thousand (2,000) dollars for comprehensive change request application fee in year one = \$134,000.

Manufacturing Facility

Eighty-seven (87) manufacturing facilities x two thousand (2,000) dollars for comprehensive change request application fee in year one = \$174,000.

Warehouses

10 facilities applying in the first year x two thousand (2,000) dollars for application fee = \$50,000

Microbusiness Facility

Forty-eight (48) microbusiness facility x one thousand five hundred (1,500) dollars for application fee in year one = \$72,000

Forty-eight (48) microbusiness facility x one thousand five hundred (1,500) dollars for application fee in year two = \$72,000

Forty-eight (48) microbusiness facility x one thousand five hundred (1,500) dollars for application fee in year three = \$72,000

IV. ASSUMPTIONS

Each facility that applies for and receives a business license or certification from the department will incur application fees and annual fees. There are currently department will issue 213 dispensary licenses, 67 cultivation facility licenses, 87 manufacturing facility licenses, 10 testing facility certifications, and 26 transportation certifications. It is anticipated that all of these licenses that currently exist will convert from their current medical facility to a comprehensive facility. The department does not plan on adding any new licenses in the next three years and as such there is no revenue from applications. Additionally, the department does not anticipate any new applications for transportation or labs at this time.

Additionally, the Department has no means of knowing with the facilities will request to convert to comprehensive and as such full numbers appear in both the emergency rule and the proposed rule.

Microbusinesses are to be licensed incrementally with the first round of applications to be turned in October 2023, the second in June 2024, and the third round in April 2025. Microbusinesses do not incur an annual fee for one year, thus the first round of microbusinesses will not incur an annual fee until late 2024. These facilities must comply with all rules and as such will incur compliance expenses.

While there has been a request for warehouses there is no means to determine how many individuals will request a warehouse, or if they will request multiple warehouses. As such the department is anticipating ten new warehouses based on only one being asked for in the past.