

Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: July 10, 2017

SUBJECT: Fiscal Impact Statement – Medical Marijuana Authorized Number of
Dispensaries Increase Rulemaking Approval Resolution of 2017

REFERENCE: Draft introduction as shared with the Office of Revenue Analysis on
June 29, 2017

Conclusion

Funds are sufficient in fiscal year 2017 and the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the resolution.

Background

The resolution approves rules from the Department of Health (DOH) that increase¹ the number of medical marijuana dispensaries registered to operate in the District from six to seven. The new dispensary can be registered in Ward 7 or in Ward 8.

Financial Plan Impact

Funds are sufficient in fiscal year 2017 and the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the resolution. DOH has sufficient resources to register and enforce laws and regulations applicable to a new medical marijuana dispensary in either Ward 7 or Ward 8.

Medical marijuana dispensaries must pay² application fees, renewal fees, licensing fees and employee registration fees each year to operate in the District of Columbia. These fees are collected in a special purpose revenue fund to cover audit and inspection costs incurred by DOH. One additional dispensary will generate \$5,000 of non-tax revenue in fiscal year 2017 and \$13,950 in non-tax revenue each year starting in fiscal year 2018. In total the new dispensary will generate

¹ By amending Chapter 52 of Title 22-C of the District of Columbia Municipal Regulations.

² D.C. Municipal Regulations Title 22-C, § 5103.

The Honorable Phil Mendelson

FIS: "Medical Marijuana Authorized Number of Dispensaries Increase Rulemaking Approval Resolution of 2017," Draft introduction as shared with the Office of Revenue Analysis on June 29, 2017

\$60,800 in non-tax revenue over fiscal year 2018 through fiscal year 2021 budget and financial plan.

Medical Marijuana Authorized Number of Dispensaries Increase Rulemaking Approval Resolution of 2017						
Estimated Non-Tax Revenue						
	FY17	FY18	FY19	FY20	FY21	Total
Initial Application Fee ^(a)	\$5,000	\$0	\$0	\$0	\$0	\$0
Annual Permit Fee	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$40,000
Annual Renewal Application Fee	\$0	\$3,000	\$3,000	\$3,000	\$3,000	\$12,000
Annual Director Fee	\$0	\$200	\$200	\$200	\$200	\$800
Annual Employee Registration Fee ^(b)	\$0	\$450	\$450	\$450	\$450	\$1,800
Annual Manager's registration ^(c)	\$0	\$300	\$300	\$300	\$300	\$1,200
Total	\$5,000	\$13,950	\$13,950	\$13,950	\$13,950	\$60,800

Table Notes:

(a). Assumes at least one applicant pays the application fee.

(b). Assumes that six employees pay the \$75 registration fee.

(c). Assumes that two managers pay the \$150 manager registration fee.