

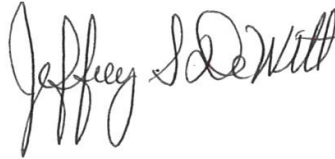
Government of the District of Columbia
Office of the Chief Financial Officer



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: September 3, 2019

SUBJECT: Fiscal Impact Statement – Medical Marijuana Change of Ownership or Location Rulemaking Approval Resolution of 2019

REFERENCE: Draft Resolution as shared with the Office of Revenue Analysis on August 23, 2019

Conclusion

Funds are sufficient in the fiscal year 2019 budget and the fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the resolution.

Background

The resolution approves proposed rulemaking by the Department of Health (DOH) to allow dispensaries, cultivation centers, and testing laboratories (facilities) to change ownership or location.

The rulemaking implements provisions of an existing law¹ to allow for change of ownership of facilities with approval from DOH. At least 30 days prior to any transfer of majority ownership or control (50 percent or more of ownership of interest or common stock), facilities must obtain approval from DOH. If there is a change in minority ownership (a person owning between 1 and 50 percent of common stock), the rules require facilities to notify DOH within 15 calendar days of the change. Within 15 days following notification, any new minority owner, partner, or stockholder must apply for a registration with DOH.

¹Medical Marijuana Omnibus Amendment Act of 2016, effective February 18, 2017 (D.C. Law 21-209; D.C. Official Code § 7-1671.01 *et. seq.*), funded pursuant to the Fiscal Year 2018 Budget Support Act of 2017, effective December 31, 2017 (D.C. Law 22-33; 64 DCR 12875).

The Honorable Phil Mendelson

FIS; "Medical Marijuana Change of Ownership or Location Rulemaking Approval Resolution of 2019" Draft resolution as shared with the Office of Revenue Analysis on August 23, 2019

The rulemaking also requires facilities to request approval from DOH for a change or expansion 30 days prior to executing any agreements with a landlord or builder. Any move is subject to review by the affected Advisory Neighborhood Commission and cannot result in more than two dispensaries or six cultivation centers being registered to operate within a single Ward.

Financial Plan Impact

Funds are sufficient in the fiscal year 2019 budget and the fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the resolution. The Department of Health can implement the rules without additional resources.