

Secretary of State  
**STATEMENT OF NEED AND FISCAL IMPACT**  
A Notice of Proposed Rulemaking Hearing accompanies this form.

Oregon Health Authority, Public Health Division  
Agency and Division

333  
Administrative Rules Chapter Number

Adopts rules governing medical marijuana facility regulation

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

The permanent adoption and amendment of administrative rules in chapter 333, division 8 to govern the Medical Marijuana Dispensary Program.

**Statutory Authority:**

ORS 431.262, 475.309, 475.312, 475.314, 475.338

**Other Authority:**

Oregon Laws 2013, chapter 726

**Statutes Implemented:**

ORS 431.262, 475.300 - 475.346

**Need for the Rule(s):**

The Medical Marijuana Dispensary Program was created by HB 3460 (Oregon Laws 2013, chapter 726) to regulate and inspect facilities that transfer marijuana to Oregon Medical Marijuana Program cardholders. The program requires facilities to meet standards for security, record-keeping, location, testing, labeling, and other issues related to public and patient safety. This rulemaking will establish permanent rules for the program.

**Documents Relied Upon, and where they are available:**

ORS 431.262: [http://www.oregonlegislature.gov/bills\\_laws/lawsstatutes/2013ors431.html](http://www.oregonlegislature.gov/bills_laws/lawsstatutes/2013ors431.html)

ORS 475.309, 475.312, 475.314, 475.338: [http://www.oregonlegislature.gov/bills\\_laws/lawsstatutes/2013ors475.html](http://www.oregonlegislature.gov/bills_laws/lawsstatutes/2013ors475.html)

HB 3460 (Oregon Laws 2013, chapter 726): <https://olis.leg.state.or.us/liz/2013R1/Downloads/MeasureDocument/HB3460/Enrolled>

**Fiscal and Economic Impact:**

There will be some fiscal and economic impact to the following entities based on requirements of the program: Oregon Medical Marijuana Program staff will need to provide data to Medical Marijuana Dispensary Program staff regarding applicants. Background Check Unit staff will need to process criminal background checks on applicants. Applicants must have their scales certified by the Department of Agriculture. Applicants must register as a business with the Secretary of State. Applicants must procure documentation of proper zoning from their local government entity. We are unable to estimate the exact impact on each entity due to their varying involvement with the program.

**Statement of Cost of Compliance:**

**1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):**

Members of the public who wish to apply to operate a medical marijuana facility must pay a \$4,000 annual registration fee. There is no cost of compliance to state agencies or units of local government.

**2. Cost of compliance effect on small business (ORS 183.336):**

**a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:**

Roughly 100 to 300 medical marijuana dispensaries are considered small businesses and are subject to these rules.

**b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:**

Registered facilities must keep adequate records of all transactions and marijuana transfers, pay for laboratory testing of all marijuana transferred to the facility, and pay for the fingerprinting of any staff applying to be the Person Responsible for the Facility (PRF). Facilities are required to pay an annual registration fee of \$4,000.

**c. Equipment, supplies, labor and increased administration required for compliance:**

Registered facilities must install and maintain compliant security and surveillance systems, provide adequate packaging and labeling, and have secure on-site storage for all marijuana. Facilities must also have one staff person or the owner who is designated as the PRF.

**How were small businesses involved in the development of this rule?**

A dispensary owner is a member of the Rule Advisory Committee, and public testimony was heard at all three RAC meetings. The RAC met on September 20, October 18, and November 18, of 2013.

**Administrative Rule Advisory Committee consulted?: Yes**  
**If not, why?:**

<u>05-30-2014 5:00 p.m.</u>	<u>Alayna Nest</u>	<u>alayna.n.nest@state.or.us</u>
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address

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