

ARKANSAS REGISTER



Proposed Rule Cover Sheet

Secretary of State
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Name of Department Department of Finance and Administration

Agency or Division Name Alcoholic Beverage Control Division

Other Subdivision or Department, If Applicable _____

Previous Agency Name, If Applicable _____

Contact Person Doralee Chandler

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Contact Phone 501-682-1105

Name of Rule Medical Marijuana Rules - Abandonment of License

Newspaper Name Arkansas Democrat Gazette

Date of Publishing February 13, 2020 through February 15, 2020

Final Date for Public Comment March 18, 2020

Location and Time of Public Meeting 1515 West 7th Street, 5th Floor, 9:00 a.m.

SECTION 25. ABANDONMENT OF LICENSE

25.1 *Notice of Intent to Commence Operations*

- a. If a licensed cultivator, licensed processor, licensed dispensary, or licensed transporter within 365 days of its initial license being issued or within 365 days of its renewal, if the initial license was issued prior to January 1, 2020, fails to notify the Division of its intent to commence operations pursuant to rule 4.2, the license shall be considered abandoned and shall be immediately surrendered to the Director.
- b. A licensed cultivator, licensed processor, licensed dispensary, or licensed transporter prior to the abandonment of the license may submit a written petition to Director for a one-time 60 day extension which will be granted upon a finding that the delay was not due to inattention on the part of the licensee and there is a good faith basis to grant the extension.

25.2 *Petition for Return*

Within thirty (30) days of the date the license is abandoned, the licensee may petition the Board to have the license returned by submitting evidence of the following information:

- a. That all taxes and fees owing the state have been paid;
- b. The reason for the delay; and
- c. The date the licensee intends to commence operations.

25.3 *Return of License*

The Board may return the license if the Board finds that:

- a. Business circumstances exist to justify the delay;
- b. The delay to commence operations was not due to mere deferral or inattention on the part of the licensee; and
- c. The license should be returned

25.4 *License Revocation*

If the licensee does not petition for the return of the license, or if the Board rejects the petition, the license shall be considered revoked.

Summary of Proposed New Rule or Proposed Amendment to Existing Rule:

These rules govern the oversight of medical marijuana cultivation, processing and dispensing in Arkansas. This amendment to the existing rules would create a manner in which to consider permits that are not operational within one year of licensure to be deemed abandoned or revoked.

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FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT DFA

DIVISION Alcoholic Beverage Control

PERSON COMPLETING THIS STATEMENT Doralee Chandler

TELEPHONE 501-682-2916 FAX 501-682-2221 EMAIL: Doralee.Chandler@dfa.arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Section 25 Abandonment of License

- | | | |
|---|-------|-----------------------------|
| 1. Does this proposed, amended, or repealed rule have a financial impact? | Yes X | No <input type="checkbox"/> |
| 2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule? | Yes X | No <input type="checkbox"/> |
| 3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? | Yes X | No <input type="checkbox"/> |

If an agency is proposing a more costly rule, please state the following:

(a) How the additional benefits of the more costly rule justify its additional cost;

(b) The reason for adoption of the more costly rule;

(c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;

(d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain.

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following: N/A

(a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year

General Revenue	_____
Federal Funds	_____
Cash Funds	_____
Special Revenue	_____
Other (Identify)	_____

Next Fiscal Year

General Revenue	_____
Federal Funds	_____
Cash Funds	_____
Special Revenue	_____
Other (Identify)	_____

Total _____

Total _____

(b) What is the additional cost of the state rule?

Current Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total 0

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total 0

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

Current Fiscal Year

\$? _____

Next Fiscal Year

\$? _____

Licensed transporters/distributors will incur costs to comply with the requirements, but the amount is unknown

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year

\$ 0 _____

Next Fiscal Year

\$ 0 _____

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes No X

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

(1) a statement of the rule's basis and purpose;

(2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;

(3) a description of the factual evidence that:

(a) justifies the agency's need for the proposed rule; and

(b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;

- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
 - (a) the rule is achieving the statutory objectives;
 - (b) the benefits of the rule continue to justify its costs; and
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.