

FORM 5, BFM 50.10

**ADMINISTRATIVE PROCEDURES ACT
FISCAL NOTE
Prepared by South Dakota Department of Health**

	CODE	NAME	PROPOSED RULES (by §, unless entire ch., art.)
DEPT.	09	Health	§ 44:90:03:17
DIVISION	03	Division of Licensure & Accreditation	
PROGRAM	007	Office of Medical Cannabis	

IMPACT ON GOVERNMENT SUMMARY: The rules do not impact any existing processes, schedules or activities of the South Dakota Medical Cannabis Program.

FISCAL IMPACT STATEMENT: The South Dakota Medical Cannabis Program certifies cultivation, manufacturing, testing, and dispensary establishments across the state. The certification process requires all establishments, both initial/new applications and annual renewals, to submit a fee along with their application and documentation. SB43 from the 2024 legislative session directs the Department of Health to promulgate rules to increase the required fee from \$5310 to \$9000.

FISCAL IMPACT BASIS: The SFY26 budget will be impacted from October 1, 2024, to June 30, 2025, by an estimated 94 establishments seeking either initial or annual renewal certifications, totaling approximately \$846,000, which is an increase of \$346,860.

SFY27 budget from July 1, 2025, to June 30, 2026, will be impacted by an estimated 133 establishments seeking initial or annual renewal certification, totaling approximately \$1,197,000 which is an increase of \$490,770.

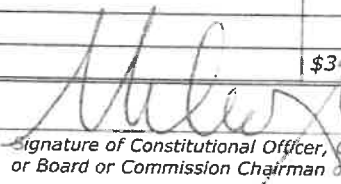
COST INCREASES (DECREASES)

State Agencies:	First-Year Impact	Continuous-Yearly Impact
TOTAL	\$0	\$0
Local Gov't Agencies:		
TOTAL	\$0	\$0

REVENUE INCREASES (DECREASES)

Revenue Increases (Decreases) State & Local Gov't Agencies:		
TOTAL	\$346,860	\$490,770

APPROVED


Signature of Constitutional Officer, Commissioner, Department Secretary,
or Board or Commission Chairman of Agency Administering the Rules

DATE 6-24-24

ADD ADDITIONAL PAGES IF NEEDED. A copy of this form may be obtained from the Bureau of Finance and Management. If proposed rules have a negative fiscal impact on a local government, the Bureau of Finance and Management must send a copy of its fiscal note to the organizations listed in SDCL 1-26-4.2.