



OHIO LEGISLATIVE SERVICE COMMISSION

Bill Analysis

Elizabeth Molnar

S.B. 264

132nd General Assembly
(As Introduced)

Sen. Coley

BILL SUMMARY

- Requires the Auditor of State to conduct and release to the Ohio Department of Commerce a performance audit of the portions of the Medical Marijuana Control Program administered by the Department.
 - Requires the Auditor to examine the Department's operations and procedures for licensing, describe any flaws in the Program, and include recommendations for remedying those flaws.
 - Requires the Department to implement audit recommendations and prohibits it from issuing final cultivator, processor, or laboratory testing licenses until after implementation.
 - Declares an emergency.
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CONTENT AND OPERATION

Performance audit of the Medical Marijuana Control Program

S.B. 264 requires the Auditor of State to conduct and release to the Department of Commerce, within 30 days, a performance audit of the portions of the Medical Marijuana Control Program administered by the Department.¹ The audit must examine operations and procedures for the following:

- The review and ranking of applications for licensure filed with the Department;
- The issuance of provisional and final licenses to cultivate, process, or test medical marijuana.

¹ Section 1.

The audit also must include a description of any operational or procedural flaws found by the Auditor as well as recommendations for remedying the flaws.

Implementation of audit recommendations

The bill requires the Department to implement the audit's recommendations not later than 30 days after the performance audit is released.² If the Department fails to do so, it must file a report with the Governor, Auditor, Speaker and Minority Leader of the House of Representatives, and President and Minority Leader of the Senate justifying why the recommendations have not or will not be implemented.

Issuance of licenses – paused until implementation

The bill prohibits the Department from issuing a final cultivator, processor, or testing laboratory license until it fully implements the audit's recommendations.³

Medical Marijuana Control Program – background

Sub. H.B. 523 of the 131st General Assembly established in the Ohio Department of Commerce and State Board of Pharmacy the Medical Marijuana Control Program.⁴ Under the act, the Department of Commerce is responsible for licensing medical marijuana cultivators, processors, and testing laboratories, while the Board of Pharmacy is charged with licensing retail dispensaries and registering patients and caregivers.⁵ The State Medical Board is to issue certificates to physicians seeking to recommend for their patients treatment with medical marijuana.⁶

The act required the Department to establish by rule the number of cultivator licenses permitted at any one time. Under rules adopted in 2017, the Department allowed for the issuance of both provisional and final cultivator licenses for small and large cultivators (referred to as Level I and Level II) and set a limit of 24 total provisional licenses.⁷ H.B. 523 also requires the Department and Pharmacy Board to take all actions necessary to ensure that the Program is fully operational by September 8, 2018.⁸

² Section 2.

³ Section 3.

⁴ R.C. 3796.02, not in the bill.

⁵ R.C. 3796.02, not in the bill.

⁶ R.C. 4731.30, not in the bill.

⁷ Ohio Administrative Code 3796:2-1.

⁸ Section 3, not in the bill.



HISTORY

ACTION

DATE

Introduced

02-22-18

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