

**RULEMAKING NOTICE FORM**

Notice Number 2016-200

Rule Number He-C 402.04, 402.05 & 402.06

<p>1. Agency Name &amp; Address:</p> <p><b>Department of Health &amp; Human Services Therapeutic Cannabis Program 129 Pleasant St. Concord, NH 03301</b></p>	<p>2. RSA Authority: <u>RSA 126-X:6, III</u></p> <p>3. Federal Authority: _____</p> <p>4. Type of Action:</p> <p style="padding-left: 20px;">Adoption _____</p> <p style="padding-left: 20px;">Amendment _____</p> <p style="padding-left: 20px;">Repeal _____</p> <p style="padding-left: 20px;">Readoption _____</p> <p style="padding-left: 20px;">Readoption w/amendment <u> X </u></p>
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5. Short Title: **Therapeutic Cannabis Program – Alternative Treatment Centers**

6. (a) Summary of what the rule says and of any proposed amendments:

**He-C 402 sets forth the requirements necessary to establish, operate, and maintain an alternative treatment center (ATC) for the purposes of cultivating, processing, and dispensing therapeutic cannabis to qualifying patients and their designated caregivers. He-C 402.04 describes the ATC fee structure; He-C 402.05 describes the ATC registration process; and He-C 402.06 describes the ATC registration renewal process. Pursuant to RSA 126-X:6, II(a), the fee structure established by the Department for registry identification cards and ATCs shall generate revenues sufficient to offset all Department expenses of implementing and administering RSA 126-X.**

**The proposal readopts with amendment He-C 402.04, 402.05, and 402.06 and makes the following changes:**

- **Changes the ATC fee structure from a flat registration fee to a methodology based on actual Department expenses for administering the Therapeutic Cannabis Program (program);**
- **Aligns the ATC registration period with the state fiscal year (SFY); and**
- **Changes the conditional registration process to allow an ATC to receive a conditional registration to dispense cannabis prior to establishing a cultivation facility.**

**With regard to the first two bullets above, the proposal contains the following elements:**

- **Calculates current program expenses (minus current revenue) as of 12/31/16, to be allocated equally among the four ATCs;**
- **Converts current ATC registration certificates to 6-month certificates, effective from 1/1/17 and ending on 6/30/17. Calculates fees based on projected program expenses for this period (minus projected revenue), including a credit for any remaining months in an ATC’s current registration period, and to be allocated based on each ATC’s projected percentage of usable cannabis to be dispensed during this period;**
- **Beginning on 7/1/17, establishes a year-long registration period to align with the SFY. Calculates fees based on projected program expenses for the SFY (minus projected revenue), including a prior period adjustment for actual program expenses (minus actual revenue) and for the actual percentage of usable cannabis dispensed by each ATC for the prior period, and to be allocated based on each ATC’s projected percentage of usable cannabis to be dispensed in the upcoming SFY;**

- **Removes the current tiered fee structure, which established a lower registration fee and a lower fee for a change of location for the ATC operating in the northern part of the state (Geographic Area 4):**
  - **The new registration fee is described by the methodology in the bullets above.**
  - **The change of location fee for the ATC in Geographic Area 4 is being increased from \$15,000 to \$30,000;**
- **Removes the staggered registration fee payment schedule. Registration fees will now be paid in full within 30 days of the Department notice of the fee being due; and**
- **Establishes that the registration fee will include the cost of three inspections per facility per SFY, and changes the fee amount for any additional inspections from \$1,000 to the actual Department personnel costs for conducting such inspections or compliance monitoring. Also, any additional Department personnel expenses related to the direct administration or oversight of an ATC will be billed to the ATC on an actual expense basis.**

6. (b) Brief description of the groups affected:

**Operators of New Hampshire’s Alternative Treatment Centers are affected by this proposal.**

6. (c) Specific section or sections of state statute or federal statute or regulation which the rule is intended to implement:

<b>Rule</b>	<b>RSA Implemented</b>
He-C 402.04	RSA 126-X:6, III(a)(14); RSA 126-X:7, IV(a); RSA 126-X:7, V
He-C 402.05	RSA 126-X:7, IV(a); RSA 126-X:7, IX
He-C 402.06	RSA 126-X:6, III(a)(1); RSA 126-X:7, V; RSA 126-X:7, IX

7. Contact person for copies and questions including requests to accommodate persons with disabilities:

Name:	<b>Michael Holt</b>	Title:	<b>Rules Coordinator</b>
Address:	<b>Dept. of Health and Human Services Administrative Rules Unit 129 Pleasant St. Concord, NH 03301</b>	Phone #:	<b>271-9234</b>
		Fax#:	<b>271-5590</b>
		E-mail:	<a href="mailto:michael.holt@dhhs.state.nh.us"><b>michael.holt@dhhs.state.nh.us</b></a>

TTY/TDD Access: Relay NH 1-800-735-2964 or dial 711 (in NH)

**The proposed rules may be viewed and downloaded at:**

[\*\*http://www.dhhs.nh.gov/oos/aru/comment.htm\*\*](http://www.dhhs.nh.gov/oos/aru/comment.htm)

8. Deadline for submission of materials in writing or, if practicable for the agency, in the electronic format specified: **Thursday, November 17, 2016**

Fax                                       E-mail                                       Other format (specify):

9. Public hearing scheduled for:

Date and Time: **Thursday, November 10, 2016 at 11:00 AM**

Place: [\*\*DHHS Brown Bldg., Auditorium, 129 Pleasant St., Concord, NH\*\*](#)

10. Fiscal Impact Statement (Prepared by Legislative Budget Assistant)

FIS # 16:212, dated 10/13/15

**1. Comparison of the costs of the proposed rule(s) to the existing rule(s):**

When compared to the existing rules, the proposed rules will increase costs to independently-owned businesses to the extent that those businesses are alternative treatment centers (ATC) licensed to cultivate, process, and dispense therapeutic cannabis.

**2. Cite the Federal mandate. Identify the impact on state funds:**

No federal mandate, no impact on state funds.

**3. Cost and benefits of the proposed rule(s):**

The proposal makes several changes to existing rules. In particular, the rule changes the ATC fee structure from a flat registration fee to a methodology based on actual Department expenses for administering the therapeutic cannabis program, and aligns the ATC registration period with the state fiscal year (SFY). The proposal will allow the Department to:

- Calculate current program expenses (minus current revenue) as of 12/31/16, to be allocated equally among the four ATCs.
- Effective 1/1/17, convert current ATC registration certificates to 6-month certificates, covering the period 1/1/17 to 6/30/17. Calculate fees based on projected program expenses for this period (minus projected revenue), including a credit for any remaining months in an ATC's current registration period, and to be allocated based on each ATC's projected percentage of usable cannabis to be dispensed during this period.
- Effective 7/1/17, establish a year-long registration period to align with the SFY. Calculate fees based on projected program expenses for the SFY (minus projected revenue), including a prior period adjustment for actual program expenses (minus actual revenue) and for the actual percentage of usable cannabis dispensed by each ATC for the prior period, and to be allocated based on each ATC's projected percentage of usable cannabis to be dispensed in the upcoming SFY.
- Remove the current tiered fee structure, which established a lower registration fee and a lower fee for a change of location for the ATC operating in the northern part of the state (Geographic Area 4).
  - The new registration fee is described by the methodology in the bullets above.
  - The change of location fee for the ATC in Geographic Area 4 is being increased from \$15,000 to \$30,000.
- Remove the staggered registration fee payment schedule. Registration fees will now be paid in full within 30 days of the Department notice of the fee being due.
- Establish that the registration fee will include the cost of three inspections per facility per SFY, and change the fee amount for any additional inspections from \$1,000 to the actual Department personnel costs for conducting such inspections or compliance monitoring. Also, any additional Department personnel expenses related to the direct administration or oversight of an ATC will be billed to the ATC on an actual expense basis.

**A. To State general or State special funds:**

RSA 126-X:11 establishes the registry identification card and certificate fund for the purpose of paying for the operational expenses of permitting the therapeutic use of cannabis as established in RSA 126-X.

Pursuant to RSA 126-X:6, II(a), the fee structure established by the Department for registry identification cards and ATCs shall generate revenues sufficient to offset all department expenses of implementing and administering RSA 126-X. Any income received by the Department pursuant to RSA 126-X shall be deposited into this fund. Consequently, there are no costs or benefits to this fund as a result of this rule.

**B. To State citizens and political subdivisions:**

None.

**C. To independently owned businesses:**

Independently owned businesses in New Hampshire (i.e., the three entities operating the four ATCs in the state) will experience the following costs and benefits:

1. Current Department expenses for administering the Therapeutic Cannabis Program, including projected expenses for the periods 7/1/16 through 12/31/16 and 1/1/17 through 6/30/17, minus current and projected Department revenue for the same periods, and minus the registration credit already paid by the ATCs, are \$360,084. This proposal will allow the Department to bill the ATCs in January 2017 for these expenses as follows:

Temescal Wellness – Lebanon	\$95,983
Temescal Wellness – Dover	\$101,868
Sanctuary ATC	\$105,609
Prime ATC of New Hampshire	\$56,624

The ATCs will experience a projected and variable cost increase based on the current registration fee (\$80,000 for Temescal and Prime, and \$40,000 for Sanctuary), the current registration credit (one month for both Temescal and Sanctuary, and 8 months for Prime), and the projected amount of usable cannabis dispensed during the period 1/1/17 through 6/30/17.

2. Projected Department expenses for administering the Therapeutic Cannabis Program for the SFY beginning on 7/1/17, minus projected Department revenue for the same period, are \$202,932. This proposal will allow the Department to bill the ATCs in July 2017 for these expenses as follows (these projected amounts do not include prior period adjustments based on actual Department expenses or actual amounts of usable cannabis dispensed by each ATC):

<u>ATC</u>	<u>Projected Fee</u>	<u>Current Fee</u>	<u>Difference</u>
Temescal Wellness– Lebanon	\$40,992	\$80,000	\$39,008 (benefit)
Temescal Wellness – Dover	\$52,762	\$80,000	\$27,238 (benefit)
Sanctuary ATC	\$53,574	\$40,000	\$13,574 (cost)
Prime ATC of New Hampshire	\$55,604	\$80,000	\$24,396 (benefit)

Temescal Wellness and Prime will experience a projected benefit when compared with the current registration fee of \$80,000. Sanctuary will experience a projected cost when compared with the current registration fee of \$40,000.

3. The change of location fee for the ATC located in Geographic Area 4 (Sanctuary ATC) is being increased from \$15,000 to \$30,000. This ATC will experience a cost increase if it changes location.
4. To the extent that any ATC facility requires more than three inspections per SFY, requires compliance monitoring, or requires additional Department personnel time related to the direct administration or oversight of an ATC, that ATC will be responsible for the actual Department personnel costs for such activities. The current fee for inspections for compliance monitoring is \$1,000 per inspection. The actual cost or benefit to an ATC is indeterminable.

11. Statement Relative to Part I, Article 28-a of the N.H. Constitution:

**The proposed rule modifies an existing program or responsibility, but does not mandate any fees, duties or expenditures on the political subdivisions of the state, and therefore does not violate Part I, Article 28-a of the N.H. Constitution.**

CHAPTER He-C 400 THERAPEUTIC CANNABIS PROGRAM

PART He-C 402 ALTERNATIVE TREATMENT CENTERS

**Readopt with amendment He-C 402.04, effective 11/25/14 (Document #10731), to read as follows:**

He-C 402.04 Fees.

(a) The department shall determine the actual expenses of the program incurred during the period through 12/31/16, including expenses for personnel and other expenses related to the administration of the program.

(b) The department shall subtract the amount of revenue received in the period described in (a) above, including request for application (RFA) submission fees, ATC registration fees, application fees received from qualifying patients and designated caregivers, and donations, from the total actual expenses in (a) above to determine the remaining balance due to the program.

(c) The balance in (b) above shall be allocated equally among each of the 4 ATCs.

(d) Each ATC shall pay to the department the allocated amount in (c) above within 30 days of the department's notice stating the balance due.

(e) For the period starting on 1/1/17 and ending on 6/30/17, paragraphs (f) through (k) shall apply.

(f) Each ATC's current registration certificate shall be converted to a 6-month registration certificate, effective from 1/1/17 and ending on 6/30/17.

(g) Each ATC shall be reimbursed as a credit an allocated portion of its registration fee for the number of full months remaining in the ATC's current registration period.

(h) The department shall determine projected expenses for the period 1/1/17 through 6/30/17, including expenses for personnel and other expenses related to the administration of the program, minus the projected revenue received as application fees from qualifying patients and designated caregivers.

(i) The department shall add the total amount reimbursed as a credit to all ATCs in (g) above to the projected expenses in (h) above to determine the balance due to the department.

(j) The balance in (i) above shall be allocated among each of the 4 ATCs based on each ATC's percentage of the total quantity of ounces of usable cannabis projected to be dispensed from 1/1/17 through 6/30/17. Projected dispensing quantities shall be based on the dispensing history of each ATC for the 4 full months prior to 1/1/17.

(k) Each ATC shall pay to the department the allocated amount in (j) above within 30 days of the department's notice stating the balance due.

(l) Beginning on July 1, 2017, paragraphs (m) through (o) shall apply.

(m) Each ATC shall be assessed a fee for its allocated portion of the expenses of the program, as follows:

(1) The department shall determine actual program expenses for the previous SFY, or the period from 1/1/17 to 6/30/17, as applicable;

(2) The department shall determine the actual allocation of program expenses based on each ATC's percentage of the total quantity of ounces of usable cannabis dispensed from the previous SFY, or the period 1/1/17 through 6/30/17, as applicable;

(3) The department shall determine the prior year adjustment for each ATC based on (1) and (2) above;

(4) The department shall determine projected program expenses for the next state fiscal year (SFY), including expenses for personnel and other expenses related to the administration of the program, minus the projected revenue to be received as application fees from qualifying patients and designated caregivers;

(5) The department shall add to the projected program expenses in (4) above any remaining balance of program expenses from the prior SFY to determine the balance due to the department; and

(6) The total balance due in (5) above shall be allocated among each of the 4 ATCs based on each ATC's percentage of the total quantity of ounces of usable cannabis projected to be dispensed in the upcoming SFY and after applying the prior year adjustment for each ATC.

(n) Each ATC shall pay to the department the allocated amount in (m)(3) above within 30 days of the department's notice stating the balance due.

(o) If a new ATC joins the program during a SFY, the department shall recalculate the allocation among all the ATCs for that SFY.

(p) All Fees for ATCs shall be non-refundable and non-transferable;

(q) All fees shall be made payable to the "Treasurer, State of New Hampshire," and shall be as follows:

(r) Any fees submitted to the department in the form of a check or money order and returned to the state for any reason, shall be processed in accordance with RSA 6:11-a.

(s) Other fees for ATCs shall be as follows:

(a)(1) The request for application (RFA) submission fee shall be \$3000;

(2) The RFA selection fee, which will be credited to the new ATC as part of the allocation described in (o) above, shall be \$20,000;

~~\_\_\_\_\_ (b) The initial registration fee for entities selected in geographic areas 1, 2, and 3 shall be \$80,000, payable as follows:~~

~~(1) A fee of \$20,000 due within 10 days of selection;~~

~~(2) A fee of \$30,000 due with the registration application; and~~

~~(3) A fee of \$30,000 due upon the issuance of the notice of registration approval as per He-C 402.05(j) and (k);~~

~~—(e) The initial registration fee for the entity selected in geographic area 4 shall be \$40,000, payable as follows:~~

~~(1) A fee of \$10,000 due within 10 days of selection;~~

~~(2) A fee of \$15,000 due with the registration application; and~~

~~(3) A fee of \$15,000 due upon the issuance of the notice of registration approval as per He-C 402.05(j) and (k);~~

~~—(d) The annual renewal fee for ATCs in geographic areas 1, 2, and 3 shall be \$80,000, payable as follows:~~

~~(1) A fee of \$40,000 due with the renewal registration application; and~~

~~(2) A fee of \$40,000 due upon the issuance of the notice of registration approval as per He-C 402.06(d) and (e);~~

~~—(e) The annual renewal fee for the ATC in geographic area 4 shall be \$40,000, payable as follows:~~

~~(1) A fee of \$20,000 due with the renewal registration application; and~~

~~(2) A fee of \$20,000 due upon the issuance of the notice of registration approval as per He-C 402.06(d) and (e);~~

~~(f)(3) For a change in name, the fee shall be \$250;~~

~~(g)(4) For a change in administrator, the fee shall be \$250;~~

~~(h)(5) The fee for any inspection more than 3 per SFY, for compliance monitoring to verify the implementation of a plan of correction, or for additional department personnel expenses related to the direct administration or oversight of an ATC shall be billed on an actual expense basis and shall be payable within 30 days of the department's written notice stating the balance due\$1000; and~~

~~(i)(6) For a change in location, the fee shall be as follows:\$30,000.~~

~~(1) For the ATC in geographic areas 1, 2, and 3, the fee shall be \$30,000; and~~

~~(2) For the ATC in geographic area 4, the fee shall be \$15,000.~~

**Readopt with amendment He-C 402.05, effective 10/23/15 (Document #10961), to read as follows:**

He-C 402.05 Registration of ATCs.

(a) Only an ATC that is currently registered by the department and has been issued a registration certificate may dispense cannabis, CIP, or paraphernalia to qualified patients and designated caregivers who have been issued a registry identification card from the department. However, an entity that has been

issued a conditional registration certificate in accordance with ~~(i)~~ below may perform all operations described in He-C 402 appropriate for that location, ~~except dispensing cannabis and CIP~~, in anticipation that the entity will become fully operational ~~and ready to begin dispensing cannabis as a registered ATC~~.

(b) Each ATC selected as part of the RFA process shall provide to the department the fee of \$20,000 in accordance with He-C 402.04~~(b)(1)(s)(2)~~ or \$10,000 in accordance with He-C 402.04(e)(1) within 10 days of the department's notice that the entity has been selected. Failure to provide the fee within the required timeframe shall result in forfeiture of the selection and shall prevent the entity from submitting an application in (c) below.

(c) Each ATC selected as part of the RFA process shall submit the following to the department within 90 days of the department's notice that the entity has been selected:

(1) A completed application:

a. Signed by the applicant or 2 of the corporate officers affirming the following:

"I affirm that I have read and understand the requirements of RSA 126-X and the rules adopted thereunder and that the premises are in compliance with that statute and rule. I understand that providing false or misleading information shall be grounds for denial, suspension, or revocation of the registration and the imposition of a fine."; and

b. Containing the following information:

1. The name of the ATC;
2. The physical address of the ATC and, if applicable, the physical address of a second location for cultivation and processing operated by the ATC;
3. The mailing address of the ATC if different from the physical address;
4. The telephone number of the ATC;
5. The name of the ATC's administrator; and
6. The email address for the ATC's administrator, and for the ATC if different;

(2) A "Certificate of Good Standing" issued by the NH secretary of state authorizing the ATC to do business as a not-for-profit corporation in the state of New Hampshire;

(3) Proof of registration with the NH attorney general's office as a charitable trust under RSA 7:19 et seq for the benefit of qualifying patients;

(4) A copy of the ATC's articles of agreement;

(5) A copy of the ATC's bylaws;

(6) A statement detailing any instances in which a prospective board member, corporate officer, or executive employee who previously ran a business or managed or sat on the board of directors of a corporation was convicted, fined, censured, or had a registration,

certification, or license suspended or revoked in any administrative or judicial proceeding, or any instances in which the business or corporation itself was subject to such an action, if this information was not included in the RFA application;

(7) A floor plan of the prospective ATC, to include a complete description and layout of the indoor, enclosed, locked facility, in which all limited access areas are clearly indicated in the diagram of the registered premises, reflecting walls, partitions, counters, and all areas of entry and exit. Said diagram shall also show all propagation, vegetation, flowering, processing, production, storage, disposal, and retail sales areas;

~~(8) The application fee of \$30,000 in accordance with He C 402.04(b)(2) or \$15,000 in accordance with He C 402.04(e)(2);~~

~~(9)~~(8) An organization chart and resumes identifying the qualifications of:

- a. The executive employees of the ATC; and
- b. The ATC board members and corporate officers;

~~(10)~~(9) The name, address, and date of birth of each executive employee and corporate officer of the ATC;

~~(11)~~(10) The name, address, and date of birth of each member of the board of directors of the ATC, which shall:

- a. Include at least one physician, advance practice registered nurse, or pharmacist licensed to practice in New Hampshire, except that such medical professional shall not maintain an ownership interest in the ATC;
- b. Include at least one patient qualified to register as a qualifying patient; and
- c. Consist of a majority of New Hampshire residents;

~~(12)~~(11) Written local approvals as follows:

a. For an existing building, the following written local approvals shall be obtained no more than 90 days prior to submission of the application, from the following local officials or if there is no such official(s), from the board of selectmen or mayor:

1. The health officer verifying that the applicant complies with all applicable local health requirements, drinking water and wastewater requirements;
2. The building official verifying that the applicant complies with all applicable state building codes and local building ordinances;
3. The zoning official verifying that the applicant complies with all applicable local zoning ordinances; and
4. The fire chief verifying that the applicant complies with the state fire code, including, but not limited to, the applicable chapter of NFPA 101 as adopted by

the department of safety, and local fire ordinances applicable for an agricultural processing and retail sales facility; or

b. For a building under construction or undergoing renovation:

1. The local approvals of the construction or renovation plans; and
2. The final local approvals required by a. above shall be submitted upon completion of the construction or renovation project;

~~(13)~~(12) The results of a federal and NH state criminal records check for every corporate officer, board member, and executive employee pursuant to RSA 126-X:8, IV(a), and RSA 126-X:4, II-a;

~~(14)~~(13) If the ATC uses a private water supply, documentation that the water supply has been tested in accordance with and meets the requirements of RSA 485 and Env-Dw 700;

~~(15)~~(14) The distance, in feet, from any pre-existing designated drug-free school zone located within 1320 feet of the registered premises;

~~(16)~~(15) A list of all persons or entities not included in the RFA and having direct or indirect authority over the management or policies of the ATC, including the members of the not-for-profit corporation, and a list of all persons or entities contributing \$5000 or more of the initial capital to operate an ATC, including capital that is in the form of land or buildings. Identify any conditions on such funds or property; and

~~(17)~~(16) Documentation of liability insurance coverage in the amount of 2 million dollars.

(d) The applicant shall mail or hand-deliver the documents in (c) above to:

Department of Health and Human Services  
Health Facilities Administration  
Therapeutic Cannabis Program  
129 Pleasant Street  
Concord, NH 03301

(e) An application for an initial registration shall be complete when the department determines that all items required by (c) above have been received.

(f) If an application does not contain all of the items required by (c) above, the department shall notify the applicant in writing of the items required before the application can be processed.

~~(g) Any fees submitted to the department in the form of a check or money order and returned to the state for any reason, shall be processed in accordance with RSA 6:11 a.~~

~~(h) Registration fees shall not be transferable to any other application(s).~~

~~(i)~~(g) The department shall deny a registration certificate request in accordance with RSA 126-X:8,V, after reviewing the information in (c)(12) above if it determines that a corporate officer, a board member, or executive employee has been convicted of a felony in this or any other state.

~~(j)(h)~~ Following an inspection, a notice of registration approval shall be issued if the department determines that an applicant requesting an initial registration is in full compliance with RSA 126-X and He-C 402, including payment of all applicable fees.

~~(k) Upon receipt of the notice of registration approval in (j) above, the entity shall submit the final \$30,000 of the initial registration fee in accordance with He-C 402.04(b)(3) or the final \$15,000 of the initial registration fee in accordance with He-C 402.04(e)(3).~~

~~(i)~~ Notwithstanding ~~(j)(h)~~ above, if an entity intends to have a cultivation location separate from its dispensing location, and if it completes construction of ~~the cultivation either~~ location before it completes construction of the ~~dispensing other~~ location ~~or is otherwise not ready to begin dispensing cannabis~~, the department shall issue a conditional registration certificate authorizing the entity to perform all operations described in He-C 402 applicable to that location, except dispensing cannabis and CIP, prior to the time it is ready to begin dispensing, provided that:

- (1) The entity has submitted an application for a registration certificate;
- (2) The entity has paid all non-refundable fees required under He-C 402.04~~(b)(1) (3) or He-C 402.04(e)(1) (3)~~;
- (3) The entity has received local approvals for the ~~cultivation~~ location required under He-C 402.05(c)(11); and
- (4) The ~~cultivation~~ location has been inspected by the department and found to be in full compliance with RSA 126-X and these rules.

~~(m)(j)~~ If a conditional registration certificate is issued under ~~(i)~~ above, the entity shall not open its ~~dispensing other~~ location and ~~shall not dispense or sell any cannabis~~ until such time as the department has inspected the ~~dispensing other~~ location, found it to be in full compliance with RSA 126-X and these rules, and informed the entity in writing that it may open its other location ATC to qualifying patients and designated caregivers and begin dispensing cannabis.

~~(n)(k)~~ In the event that a conditional registration certificate is issued under ~~(i)~~ above and the entity does not subsequently open its dispensing location pursuant to RSA 126-X:7, VIII, any cannabis cultivated or CIP produced shall either be transferred or sold to another NH ATC or, if such sale or transfer is not possible, shall be considered waste and shall be destroyed and discarded as waste in accordance with He-C 402.22 under the supervision of the department.

~~(o) A registration shall be effective on the date of issue and for a period of one year from the last day of the month in which it is issued. In the event a conditional registration certificate is issued in accordance with (l) above, the registration shall expire one year from the last day of the month that the conditional registration was issued.~~

**Readopt with amendment He-C 402.06, effective 11/25/14 (Document #10731), as amended effective 10/23/15 (Document #10961), to read as follows:**

He-C 402.06 Renewal Requirements for ATCs.

~~(a) The registration in He-C 402.05 shall expire the following year on the last day of the month in which the registration was issued unless a completed application for renewal is received prior to the expiration of the current registration.~~

(a) ATC registration periods shall be as follows:

(1) For the period starting on 1/1/17 and ending on 6/30/17, each ATC's current registration certificate shall be converted to a 6-month registration certificate, effective from 1/1/17 and ending on 6/30/17; and

(2) Beginning on 7/1/17, an ATC's registration certificate shall be effective for one year and shall expire on 6/30 of the following year unless a completed application for renewal is received prior to the expiration of the current registration.

(b) Each ATC shall complete and submit to the department an application form at least 120 days prior to the expiration of the current registration.

(c) The ATC shall submit with the renewal application:

(1) The materials required by:

a. He-C 402.05(c)(1);

b. He-C 402.05(c)(3);

c. He-C 402.05(c)(4) and (5), if either has changed;

d. He-C 402.05(c)(6), for new personnel or new instances involving existing personnel;

e. He-C 402.05(c)(7), if changed;

f. He-C 402.05(c)~~(9)~~(8), for new personnel; and

g. He-C 402.05(c)~~(10)~~(9) and ~~(11)~~(10), for new personnel or if the name or address of any existing personnel has changed;

~~(2) The renewal application fee of \$40,000 pursuant to He-C 402.04(d)(1), or \$20,000 pursuant to He-C 402.04(e)(1);~~

~~(3)~~(2) If the ATC uses a private water supply, documentation that the water supply has been tested in accordance with and meets the requirements of RSA 485 and Env-Dw 700;

~~(4)~~(3) The current registration number and expiration date;

~~(5)~~(4) A request for renewal of any existing non-permanent waiver previously granted by the department, in accordance with He-C 402.26, if applicable; and

~~(6)~~(5) A copy of any existing, non-permanent variances and any new variances applied for or granted by the state fire marshal, in accordance with Saf-C 6005.03 and Saf-C 6005.04.

(d) Following an inspection as described in He-C 402.28, a notice of registration renewal shall be issued if the department determines that the ATC:

(1) Submitted an application containing all the items required by (c) above as applicable, prior to the expiration of the current registration;

(2) Has submitted a POC that has been accepted by the department and implemented by the ATC if deficiencies were cited at the last inspection or investigation;~~and~~

(3) Is in compliance with RSA 126-X and He-C 402-; and

(4) Submits the fee described in He-C 402.04(o) within 30 days of the department’s notice stating the balance due.

~~—— (e) The ATC shall submit the final \$40,000 of the renewal registration fee in accordance with He-C 402.04(d)(2) or the final \$20,000 of the renewal registration fee in accordance with He C 402.04(e)(2) upon receipt of the notice of registration approval in (d) above.~~

**APPENDIX**

<b>RULE</b>	<b>STATUTE</b>
He-C 402.04	RSA 126-X:6, III(a)(14); RSA 126-X:7, IV(a); RSA 126-X:7, V
He-C 402.05	RSA 126-X:7, IV(a); RSA 126-X:7, IX
He-C 402.06	RSA 126-X:6, III(a)(1); RSA 126-X:7, V; RSA 126-X:7, IX