We are writing in, in response to the Schedule of fines (44:90:12:11). While we are pleased to see that fines were removed from the Category 4 and 5 violations first offenses, we are disappointed to see that the remaining first-offense violations are still punishable by fines. These fines are all very extreme and leave no room for discretion. Not to mention, corrective action must be taken immediately, yet that is not factored into the fines. We need to rectify the violation within 10 days or less, but, once we do, we still get fined the maximum for that violation. How is that working with those of us in this industry? How is that conducive to a fair and effective program?

We are hopeful that the Rules Committee will take the time to review these fines and how they are assigned, because, if they continue as they are, the industry will not survive. The voters of our state voted medical cannabis into law with nearly a seventy percent majority vote. Those of us who invested in this industry and who work very hard to serve our patients and be compliant and upstanding are continually fighting against very extreme, ineffective and damaging rules and regulations, especially in regards to these fines.

We think, for context, examples are important here. When we applied for our licenses back in 2021, we went through a very detailed and rigorous application process. Every year when we renew our licenses, we go through the same process, having to resubmit everything. We go back and forth with the DOH until everything, in great detail, is covered. From there, we get on-site inspections. In the Fall of 2025, after we had passed all compliance on previous inspections, we got inspected and got fined ten thousand five hundred dollars. The DOH broke its own rules when they fined us this amount in one visit, as their rules state that the total fines assessed per inspection may not exceed ten thousand dollars. These violations were not willful violations, and they were not serious violations. First-offense, minor infractions that were rectified immediately, should not result in ten thousand five-hundred-dollar fines. Practices like this will kill all smaller operators in this state. The majority of these fines have nothing to do with patient safety, which was supposed to be the basis of the fines. The only way we can appeal the fines is through legal representation, so, that is more expense for us. There is no due process here without incurring significantly more costs.

We felt so strongly about our fines, that we hired an attorney and appealed. During depositions, the DOH stated on record that there is no communication between the inspectors who levy the fines and those who assign the fines. How is zero communication between these individuals efficient or fair to those of us getting slapped with the fines? As we stated, there is no discretion

when issuing these violations. The Department Head has stated that preventative communication will equal avoiding citations but that has not been the case, and, again, per their words, there is no communication within the department when issuing the fine amounts. During depositions, they also stated that if we seek guidance from the DOH cannabis department and an inspector comes in and cites us for something that we were advised on by the DOH, that has no bearing, the inspector can still cite us. So, we cannot look to a department that is funded by our license fees, to advise us? If our state legislators and our DOH really want to honor the patients and the voters who voted this in, the people they represent, then they would start with taking a hard look at how they can make this tiered-fine-system more fair and reasonable.

We strongly encourage the DOH and the Rules Committee to reassess the Schedule of fines, not just Category 4 and 5 first-offenses, but a majority of the first-offenses punishable by fines. You have industry leaders who want to be compliant and who want to work with the DOH to have a smooth, safe and effective cannabis program, which is what our patients and the seventy percent of SD voters who wanted this, deserve.

Thank you for your time.

Amanda Johnson

Happy Flower Healing

Yankton, SD