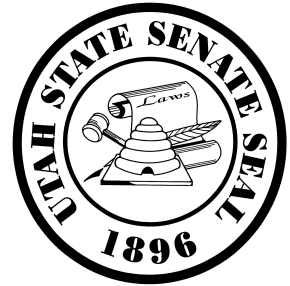




## Fiscal Note

### S.B. 73

2016 General Session  
Medical Cannabis Act  
by Madsen, M.



#### General, Education, and Uniform School Funds

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$(383,000)	\$(1,037,000)	\$(1,420,000)

**State Government**

UCA 36-12-13(2)(b)

Enactment of this legislation could increase revenue to the newly created Medical Cannabis Restricted Account by \$175,000 in FY 2016, \$1,480,700 in FY 2017, and \$1,902,300 in FY 2018 for a new cannabis tax, application fees, and licensing fees. An additional indeterminable amount may be generated for violations of new laws under this bill. In addition, Dedicated Credit revenue of \$44,000 and \$25,500 in Pass-Through revenue could be generated for background check charges beginning in FY 2017.

<b>Revenues</b>	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>
Dedicated Credits	\$0	\$44,000	\$44,000
Restricted Funds	\$175,000	\$1,480,700	\$1,902,300
Other	\$0	\$25,500	\$25,500
<b>Total Revenues</b>	<b>\$175,000</b>	<b>\$1,550,200</b>	<b>\$1,971,800</b>

Enactment of this legislation could have the following costs on state agencies: 1. Department of Health - \$13,600 in FY 2016, \$601,100 in FY 2017, \$598,700 in FY 2018 and each year thereafter from the Medical Cannabis Restricted Account and an additional \$937,000 one-time from the General Fund in FY 2017 for information technology infrastructure, licensing, personnel, postage, rule-making, training and other costs. 2. Attorney General's Office - \$60,000 one-time from the General Fund in FY 2017 and FY 2018, and \$383,000 ongoing for training and legal representation. 3. Department of Agriculture - \$331,100 in FY 2017, \$254,800 in FY 2018, and \$156,100 each year thereafter from the Medical Cannabis Restricted Account for equipment, vehicles, training, and inspections. 4. Department of Public Safety - beginning in FY 2017, \$40,000 one-time from the General Fund for programming changes, and \$44,000 ongoing from Dedicated Credits and \$25,500 from Pass-Through funds for background check costs.

<b>Expenditures</b>	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>
General Fund	\$0	\$383,000	\$383,000
General Fund, One-Time	\$0	\$1,037,000	\$60,000
Dedicated Credits	\$0	\$44,000	\$44,000
Restricted Funds	\$13,600	\$932,200	\$853,500
Other	\$0	\$25,500	\$25,500
<b>Total Expenditures</b>	<b>\$13,600</b>	<b>\$2,421,700</b>	<b>\$1,366,000</b>

<b>Net All Funds</b>	<b>\$161,400</b>	<b>\$(871,500)</b>	<b>\$605,800</b>
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**Local Government**

UCA 36-12-13(2)(c)

To the extent that there are violations under the new requirements created in this bill, there may be costs to local jails for housing offenders however is indeterminable at this time.

Enactment of this bill could have the following impacts to business and individuals: 1. An estimated 7 prospective cannabis businesses will pay \$25,000 for cannabis business licenses for a total of \$175,000 in FY 2016; 2. Certain Individuals will pay a total of about \$1,080,700 in FY 2017, \$1,102,300 in FY 2018 and each year thereafter in new taxes; 3. An estimated 4,000 individuals will pay a \$100 application fee for a cannabis registration card in FY 2017 and an additional 8,000 individuals will pay the \$100 application fee in FY 2018 for a total of \$400,000 and \$800,000 respectively; and 4. An estimated 2,000 applicants will pay \$34.75 annually for background checks for a total of \$69,500 beginning in FY 2018.

**Performance Note**

JR4-2-404

Required of the Agriculture and due by January 26, 2016

**Notes on Notes**

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.