



Fiscal Note

S.B. 89

2016 General Session
Medical Cannabidiol Amendments
by Vickers, E.



General, Education, and Uniform School Funds

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$(81,100)	\$(1,112,100)	\$(1,193,200)

Enactment of this legislation could have the following impacts on state revenue: 1. State General Fund - \$738,100 in FY 2017 and \$902,800 in each year thereafter in new General Fund revenue for additional sales tax revenue; 2. Department of Health - \$300,000 in FY 2017 and \$500,000 in FY 2018 in Dedicated Credit revenue for application fees; 3. Department of Public Safety - \$44,000 ongoing in Dedicated Credit revenue and \$25,500 in Pass-Through revenue from background check application fees beginning in FY 2017; 4. Department of Commerce - \$130,000 in FY 2017, \$80,000 in FY 2018 and \$40,000 each year thereafter in Commerce Service Fund fee revenue from applications, licenses, and \$5,000 in Dedicated Credit revenue from citations (this revenue increase, combined with the Commerce Service Fund Costs below, could decrease transfers to the General Fund by \$126,500 in FY 2017 and \$111,100 in FY 2018); and 5. Department of Agriculture - \$235,800 in FY 2017 and \$198,000 in FY 2019 and every other year after that in Dedicated Credit revenue from licensing fees.

Revenues	FY 2016	FY 2017	FY 2018
General Fund	\$0	\$760,200	\$760,200
Commerce Service Fund	\$0	\$40,000	\$40,000
Dedicated Credits	\$0	\$584,800	\$549,000
Other	\$0	\$25,500	\$25,500
General Fund, One-Time	\$0	\$(148,600)	\$31,500
Commerce Service, One-time	\$0	\$90,000	\$40,000
Total Revenues	\$0	\$1,351,900	\$1,446,200

Enactment of this bill could have the following costs to state agencies: 1. Department of Commerce - \$261,500 in FY 2017, \$196,100 in FY 2018 and \$187,600 each year thereafter from the Commerce Service Fund for costs associated with operating registration program (spending from the Commerce Service Fund impacts year-end transfers to the General Fund); 2. Department of Agriculture - \$136,700 in FY 2017, and \$99,200 each year thereafter in Dedicated Credits expenses for inspection program costs; 3. Department of Public Safety - \$40,000 one-time from the General Fund in FY 2016 for programming changes; \$44,000 ongoing in FY 2017 for Dedicated Credits expenses and \$25,500 ongoing in Pass-Through expenses for background check costs; 4. Department of Health - \$1,277,300 from the General Fund in FY 2017 and \$353,800 each year thereafter for information technology infrastructure and maintenance costs; and 5. Attorney General - \$487,500 ongoing from the General Fund beginning in FY 2017 for legal representation costs for regulatory agencies mentioned above and prosecuting violations of the new law among other costs.

Expenditures	FY 2016	FY 2017	FY 2018
General Fund	\$0	\$841,300	\$841,300
Commerce Service Fund	\$0	\$187,600	\$187,600
Dedicated Credits	\$0	\$180,700	\$143,200
Other	\$0	\$25,500	\$25,500
General Fund, One-Time	\$40,000	\$923,500	\$0
Commerce Service, One-time	\$0	\$73,900	\$8,500
Total Expenditures	\$40,000	\$2,232,500	\$1,206,100

Net All Funds	\$(40,000)	\$(880,600)	\$240,100
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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.

Individuals & Businesses

Enactment of this bill could have the following impacts to business and individuals: 1. Businesses: In FY 2017 and FY 2018, an estimated 50 applicants could pay a \$2,000 fee for cannabis business licenses for a total of \$50,000, from which 5 business may pay an additional \$10,000 for a total of \$50,000 every other year. In FY 2017 and FY 2018, Certain businesses may pay an estimated \$200/employee on 100 employees for a total of \$20,000; and other specific businesses could pay \$100/employee on 100 employees for a total of \$10,000. An additional six specific businesses will pay \$39,300 for inspections for a total of \$235,800 in FY 2017. An average of 1 violating business/year could pay \$5,000; 2. Certain Individuals will pay a total of about \$738,100 in FY 2017, \$902,800 in FY 2018 and each year thereafter in sales taxes; 3. An estimated 3,000 individuals will pay a \$100 application fee for a cannabis registration card in FY 2017 and an additional 5,000 individuals will pay the \$100 application fee in FY 2018 for a total of \$300,000 and \$500,000 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

Required of the Health 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.