



# Revised Fiscal Note

## S.B. 39

2021 General Session  
 Hemp Regulation Amendments  
 by Hinkins, D.



### General, Education, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$0	\$0	\$0

### State Government

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

Revenues	FY 2021	FY 2022	FY 2023
Dedicated Credits Revenue	\$0	\$351,400	\$325,700
Transfers	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$0</b>	<b>\$351,400</b>	<b>\$325,700</b>

Enactment of this legislation may increase Dedicated Credit revenue to the Department of Agriculture and Food from background check fees by \$51,400 one-time in FY 2022 and \$25,700 ongoing beginning in FY 2023. A portion of these revenues will be transferred to the Department of Public Safety (\$33,400 in FY 2022 and \$16,700 in subsequent years), and to the Department of Health (\$6,000 in FY 2022 and \$3,000 in subsequent years), for their services related to the background checks for industrial hemp cultivator or processor applicants. Enactment of this legislation may also increase Dedicated Credit revenue to the Department of Agriculture and Food for industrial hemp product registration and testing by \$350,000 ongoing beginning in FY 2022.

Expenditures	FY 2021	FY 2022	FY 2023
Dedicated Credits Revenue	\$0	\$312,000	\$306,000
Transfers	\$0	\$39,400	\$19,700
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$351,400</b>	<b>\$325,700</b>

Enactment of this legislation may increase costs to the Department of Agriculture and Food by \$12,000 for administrative costs related to background checks one-time in FY 2022 and \$6,000 ongoing beginning in FY 2023. Further, this bill may increase costs to the Department of Public Safety (DPS) by \$20,000 one-time in FY 2022 for personnel expenses and by \$13,300 for pass-through expenditures. DPS costs could decrease beginning in FY 2023 to \$10,000 for personnel expenses and \$6,700 for pass-through expenses. The Department of Health may see increased personnel costs of \$6,000 one-time in FY 2022 and \$3,000 ongoing beginning in FY 2023 to process fingerprint cards for out-of-state and rural in-state applicants. Enactment of this legislation could increase costs for the Department of Agriculture and Food by \$300,000 ongoing starting in FY 2022 for increased inspection and product registration and lab testing.

	FY 2021	FY 2022	FY 2023
<b>Net All Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Local Government**

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

Enactment of this legislation likely will not result in direct, measurable costs for local governments.

**Individuals & Businesses**

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

Enactment of this legislation could cost approximately 1,000 individuals \$51.50 each for background checks in FY 2022 for a cumulative total of \$51,400, and approximately 500 individuals the same amount in FY 2023 and subsequent years, for a cumulative total of \$25,700. Further, this legislation could cost businesses who register an additional estimated 870 cannabinoid products approximately \$275 per product, or \$240,000 in total. Lastly, this legislation could increase testing fees for businesses for an estimated 450 products by a total of \$60,000.

**Regulatory Impact**

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

Enactment of this legislation could result in a medium increase in the regulatory burden for Utah residents or businesses.

**Performance Note**

JR4-2-404

No performance note required for this bill

**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.