



Fiscal Note
S.B. 121 2nd Sub. (Salmon)

2020 General Session
 Medical Cannabis Amendments
 by Vickers, E. (Vickers, Evan.)



General, Education, and Uniform School Funds

JR4-4-101

| | Ongoing | One-time | Total |
|---------------------------|----------|----------|----------|
| Net GF/EF/USF (rev.-exp.) | \$ (400) | \$ (200) | \$ (600) |

State Government

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

| Revenues | FY 2020 | FY 2021 | FY 2022 |
|--------------------------------------|------------------|------------------|------------------|
| General Fund | \$0 | \$ (400) | \$ (400) |
| General Fund, One-time | \$ (200) | \$0 | \$0 |
| Dedicated Credits Revenue | \$0 | \$300 | \$300 |
| Commerce Service Fund | \$0 | \$ (17,500) | \$ (17,500) |
| Commerce Service Fund, One-time | \$200 | \$0 | \$0 |
| Qualified Production Enterprise Fund | \$173,000 | \$492,400 | \$492,400 |
| Qualified Patient Enterprise Fund | \$1,200 | \$6,300 | \$6,300 |
| Total Revenues | \$174,200 | \$481,100 | \$481,100 |

Enactment of this legislation could increase state revenue by \$174,200 in FY 2020 and \$481,100 ongoing beginning in FY 2021 from the following sources: (1) Qualified Production Enterprise Fund - \$173,000 in FY 2020 and \$492,400 ongoing in FY 2021, (2) Qualified Patient Enterprise Fund - \$1,200 in FY 2020 and \$6,300 ongoing in FY 2021, (3) Commerce Service Account - \$200 in FY 2020 and (\$17,500) in FY 2021, (4) General Fund - (\$200) in FY 2020 and (\$400) in FY 2021 due to a decrease in year-end transfers to the General Fund from the Commerce Service Fund and (5) dedicated credits \$300 ongoing in FY 2021. To the extent that less people are convicted as a result of this bill, for each fist offense case, this bill could decrease revenue/case to the following accounts beginning in FY 2020: (1) Criminal Surcharge \$450; (2) Court Security Account \$50. To the extent that more people are convicted as a result of this bill regarding nabiximols, for each case, this bill could increase revenue/case to the following accounts beginning in FY 2020: (1) Criminal Surcharge \$300; (2) Court Security Account \$50.

| Expenditures | FY 2020 | FY 2021 | FY 2022 |
|--------------------------------------|-----------|-------------|-------------|
| Dedicated Credits Revenue | \$0 | \$300 | \$300 |
| Commerce Service Fund | \$0 | \$ (17,500) | \$ (17,500) |
| Commerce Service Fund, One-time | \$200 | \$0 | \$0 |
| Qualified Production Enterprise Fund | \$188,100 | \$489,100 | \$489,100 |

| | | | |
|-----------------------------------|------------------|------------------|------------------|
| Qualified Patient Enterprise Fund | \$92,700 | \$17,400 | \$17,400 |
| Total Expenditures | \$281,000 | \$489,300 | \$489,300 |

Enactment of this legislation could cost the State \$281,000 in FY 2020 and \$489,300 ongoing beginning in FY 2021 from the following sources: (1) Qualified Production Enterprise Fund - \$188,100 in FY 2020 and \$489,100 ongoing starting in FY 2021 primarily for the costs of the Department of Agriculture to create an independent testing laboratory and test samples as well as inspecting two more processing facilities and some savings from no longer inspecting private testing laboratories, (2) Qualified Patient Enterprise Fund - \$92,700 in FY 2020 and \$17,400 ongoing starting in FY 2021 primarily for the costs of establishing new roles within the electronic verification system and staff time to comply with new requirements, (3) Commerce Service Account - \$200 in FY 2020 and (\$17,500) in FY 2021 primarily from medical providers no longer submitting \$100 for a 100 patient capacity increase as well as enforcement regarding nabiximols and (4) dedicated credits - \$300 in FY 2021 for record expungements for the Department of Public Safety.

| | <i>FY 2020</i> | <i>FY 2021</i> | <i>FY 2022</i> |
|----------------------|---------------------|-------------------|-------------------|
| Net All Funds | \$ (106,800) | \$ (8,200) | \$ (8,200) |

Local Government

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

Enactment of this bill could decrease revenue to local governments by about \$400/case for fines/fees. Additionally enactment of this legislation may result in revenue of \$100 per infraction and associated costs of prosecution. Finally, enactment of this bill could increase revenue to local governments by about \$330/case for fines/fees. This bill could also cost justice courts an unknown amount in court processing costs.

Individuals & Businesses

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

Enactment of this legislation could have the following impacts to businesses: (1) cannabis cultivation facilities collectively paying less in fees of (\$800) in FY 2020 and (\$3,300) ongoing in FY 2021, (2) shifting payments made by cannabis producers and cultivators \$125,000 in FY 2020 and \$500,000 ongoing in FY 2021 to the State instead of to private laboratories, (3) two new 120 day limited processing facilities paying a combined annual total of \$66,600 beginning in FY 2020 and (4) private laboratories collectively paying (\$19,400) less in fees in FY 2020 and (\$77,500) ongoing beginning in FY 2021. Additionally, enactment of this legislation could have the following impacts to individuals: (1) 400 nonresident patients paying \$15 registration fees annually for a combined cost of \$1,100 in FY 2020 and \$6,000 ongoing starting in FY 2021, (2) 179 fewer medical providers paying \$100 for a 100 patient capacity increase for a combined savings (\$17,900) ongoing beginning in FY 2021, (3) five designated caregivers paying \$66.25 annually for a total cost of \$100 in FY 2020 and \$300 in FY 2021, (4) to the extent that individuals violate provisions of this bill, this could reduce costs for certain offenders about \$900/case for first offenses, however the total savings are unknown, (5) to the extent that individuals violate provisions of this bill, this could increase costs for certain offenders approximately \$100/infraction, however the total increase is unknown (6) to the extent that individuals violate provisions of this bill regarding nabiximols, this could cost certain offenders about \$680/case, however the total increase is unknown, and (7) about five individuals may pay \$65 each annually for record expungements for a total cost of \$300 ongoing beginning in FY 2021.

Regulatory Impact

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

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

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.