Fiscal Note
S.B. 1006 1st Sub. (Green)

2021 First Special Session
Hemp Amendments
by Hinkins, D. (Dailey-Provost, Jennifer.)

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	$317,200	$307,200
Pass-through	$0	$13,200	$6,600
Total Revenues	$0	$330,400	$313,800

Enactment of this legislation could generate $272,000 in Dedicated Credits ongoing beginning in FY 2022 from for the Department of Agriculture and Food's Industrial Hemp program from product registration and testing fees. This legislation could also increase Dedicated Credits revenue to the Department of Public Safety for background checks for 'key participants', by $20,000 one-time in FY 2022 and $10,000 ongoing beginning in FY 2023. Further, this legislation could increase Pass-through revenue to the Department of Public Safety by $13,200 one-time in FY 2022 and by $6,600 ongoing beginning in FY 2023 for the Federal Bureau of Investigation's services related to background checks. Lastly, this bill may increase dedicated credit revenue to the Attorney General's ISF by $25,200 ongoing starting in FY 2022 for rule making and enforcement support.

Expenditures	*FY 2021*	*FY 2022*	*FY 2023*
Dedicated Credits Revenue	$0	$317,200	$307,200
Pass-through	$0	$13,200	$6,600
Total Expenditures	$0	$330,400	$313,800

Enactment of this legislation 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 $6,600 for pass-through expenditures. Enactment of this legislation could increase costs for the Department of Agriculture and Food by $272,000 ongoing starting in FY 2022 for increased inspection and product registration staff, lab testing, and attorney general expenses, (the latter which the agency has indicated they can absorb). Lastly, this bill may increase expenditures from the Attorney General's Office by $25,200 ongoing starting in FY 2022 from Dedicated Credits for rule making and enforcement support to the Industrial Hemp program.

	FY 2021	*FY 2022*	*FY 2023*
Net All Funds	$0	$0	$0

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 $33.25 each for background checks in FY 2022 for a cumulative total of $32,250, and approximately 500 individuals the same amount in FY 2023 and subsequent years, for a cumulative total of $16,625. Further, this legislation could cost businesses who register an additional estimated 629 cannabinoid products $325 per product, or $204,500 in total. Lastly, this legislation could increase testing fees for businesses for an estimated 450 products by a total of $67,500.

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.