



Fiscal Note

H.B. 385

2022 General Session
 Hemp and Cbd Amendments
 by Dailey-Provost, J.



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 2022	FY 2023	FY 2024
Dedicated Credits Revenue	\$0	\$274,300	\$264,200
Transfers	\$0	\$4,000	\$0
Total Revenues	\$0	\$278,300	\$264,200

Enactment of this legislation could generate \$264,200 in net revenue from Dedicated Credits ongoing beginning in FY 2023 for the Department of Agriculture and Food's Industrial Hemp program from product registration and testing fees and eliminating fees for cultivator licenses. This legislation could also increase Dedicated Credits revenue to the Department of Public Safety for background checks for 300 'key participants', by \$6,000 one-time in FY 2023. Further, this legislation could increase Pass-through revenue to the Department of Public Safety by \$4,000 one-time 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 \$4,100 one-time in FY 2023 for rulemaking.

Expenditures	FY 2022	FY 2023	FY 2024
Dedicated Credits Revenue	\$0	\$274,300	\$224,200
Transfers	\$0	\$4,000	\$0
Total Expenditures	\$0	\$278,300	\$224,200

Enactment of this legislation may increase costs to the Department of Public Safety (DPS) by \$6,000 one-time in FY 2023 for personnel and current expenses and by \$4,000 for pass-through expenditures. Enactment of this legislation could increase costs for the Department of Agriculture and Food 's Industrial Hemp program by \$260,100 one-time in FY 2023 and by \$224,200 ongoing starting in FY 2024 for increased inspection and product registration staff, lab testing, and attorney general expenses. Lastly, this bill may increase expenditures from the Attorney General's Office by \$4,100 one-time starting in FY 2023 from Dedicated Credits for rulemaking.

	FY 2022	FY 2023	FY 2024
Net All Funds	\$0	\$0	\$40,000

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 300 individuals \$33.25 each for background checks in FY 2023 for a cumulative total of \$10,000. Further, this legislation could cost businesses who register an additional estimated 742 cannabinoid products \$325 per product, or \$241,200 in total. Lastly, this legislation could increase testing fees for businesses for an estimated 72 products by a total of \$31,800.

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.

Performance Evaluation

JR1-4-601

This bill does not create a new program or significantly expand an existing program.

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.